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**European integration and
labour market institutions:
a varieties of capitalism perspective**

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Birkbeck Politics Occasional Paper 3/2020



Birkbeck Politics Occasional Paper 3/2020

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Abstract

Varieties of capitalism (VoC) theory predicts that national models of capitalism are enduring and persist in the face of economic internationalisation. This dissertation uses a comparative study of changes in unemployment benefit and employment protection in both EU and non-EU coordinated market economies (CME) between 1990 and 2018 to test whether European integration can be associated with a loss of the comparative advantage which VoC attributes to labour market institutions in CMEs. It includes both Nordic and continental CMEs because it is hypothesised that responses to Europeanisation pressures may differ between welfare regimes. The study does not show any basis for the hypothesised Europeanisation effect on CMEs and instead suggests that EU membership may, if anything, counter wider pressures of globalisation to which Nordic countries appear to have been more exposed than continental countries.

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List of abbreviations

CEE	Central and Eastern Europe
CME	Coordinated market economy
CWED	Comparative Welfare Entitlements Database
EMU	European Monetary Union
EPL	Employment protection legislation strictness
EPLP	Employment protection legislation strictness for permanent contracts
EPLT	Employment protection legislation strictness for temporary contracts
LEM	Liberal export market economy
LME	Liberal market economy
MME	Mixed market economy
NNR	Net replacement rate
OECD	Organisation for Economic Co-operation and Development
SCIP	Social Citizenship Indicator Programme
VoC	Varieties of Capitalism
VVC	Van Vliet and Caminada

Country codes

AUS	Australia
AUT	Austria
BE	Belgium
CAN	Canada
DK	Denmark
GER	Germany
IRE	Ireland
JPN	Japan
KOR	South Korea
NL	Netherlands
NZ	New Zealand
FIN	Finland
SWE	Sweden
UK	United Kingdom
USA	United State

Introduction

Varieties of capitalism (VoC) is taken as a theoretical starting point for thinking about potentially confounding forces at work in the process of European integration. Acting in one direction can be adduced the supposedly resilient national models of capitalism which confer comparative advantages or disadvantages despite the putatively homogenising sweep of globalisation, liberalisation and, in this context, of European integration. But is it also possible to identify, acting in the other direction, aspects of European integration which potentially undermine the institutional particularities of different national models and with them the basis of their comparative advantage? Does European integration act to undermine countries' institutional coherence even as it enhances opportunities through lower barriers to intra-EU trade, production specialisation and agglomeration?

Another set of related questions underlie these ideas. Is there is a source of instability in the EU stemming from a mismatch between social rights created at the EU level and labour market institutions which remain national and which reflect national social bargains? Are deeply rooted national models sustainable or are they undermined by domestic pressures stemming from EU membership? Will the case for EU-level institutions of social solidarity, and the fiscal capacity to realise them, become more pressing and with what implications for distinctive forms of capitalism? This dissertation does not attempt to answer these broad questions but they are the context for its focus on the response of two key labour market institutions to European integration, institutions which, VoC holds, are complementary to each other and to institutions in other domains of the political economy. The research question can be stated as:

Can European integration be associated with a loss of the comparative advantage which VoC attributes to unemployment benefit and employment protection?

This narrower question is one of Europeanisation, a branch of research concerned with the extent to which national institutions have adapted to the pressures, incentives and ideas stemming from EU membership (Haverland, 2005) or more simply with "domestic change caused by European integration" (Vink, 2003:63). It is argued that coordinated market

economies (CME) are the EU countries in which VoC theory predicts a loss of comparative advantage and the question is evaluated, therefore, by comparing them with non-EU CMEs. The question is broken down into four hypotheses which are set out and evaluated after the theoretical considerations and methodological approach on which they are based have been defined.

Chapter 1 gives an overview of VoC including the concepts of institutional coherence and institutional complementarity and the ways in which they confer comparative advantage. The mechanisms by which Europeanisation may impact the complementarity of labour market institutions to each other and to other domains of the economy are discussed. Arguments that EU integration may undermine not only the stability of national welfare systems but also, and in consequence, support for the EU itself are reviewed. As a way of validating the premise of the research question, the chapter concludes by identifying two critiques of VoC that can be tested in the unemployment benefit and employment protection data used for the study.

Chapter 2 sets out the methodology, arguing for a 1990 to 2018 review period and a comparative study that takes account of welfare regime differences by including not only EU and non-EU CMEs but also Nordic and continental countries together with EU and non-EU LMEs. Chapter 3 sets out the rationale for the choice of unemployment benefit and employment protection indicators and explains the choice of data sources and the derivation of the extended time series which is used. Chapter 4 highlights empirical and conceptual difficulties with the welfare regime assumptions on which the study design relies and seeks to validate the country case selection using family and housing entitlements which are supplementary to basic unemployment benefit.

Chapter 5 sets out and evaluates the four hypotheses referred to above by reference to graphically presented data. It argues that none of the hypotheses are supported by the data because reforms in EU countries are either of a lesser extent (or at least no greater) than in non-EU controls or that EU CMEs still retain greater CME coherence even where institutional shifts have been greater. It finds that scholarship showing that labour markets in EU CMEs have nevertheless been transformed away from CME coherence, the critiques referred to above, are either uncorroborated or shown to have happened too early to be plausibly linked

to European integration. Chapter 6 is a discussion of these evaluations in the broader context outlined above and the dissertation concludes with ideas for further research which would address acknowledged limitations in this study.

1. Theoretical Context

This chapter sets out the concepts underpinning the research question with a review of both the VoC literature and a literature addressing questions of political economy and social solidarity in the context of European integration. It explores the potential mechanisms of Europeanisation, including EU law, rulings of the CJEU, migration, the politics of welfare chauvinism and the mediating effects of welfare regime. Finally, the chapter sets out a basis for testing two critiques of VoC theory and so for corroborating or refuting the theoretical premise of the research question and thus for weighing the implications of any Europeanisation effects identified.

1.1 Varieties of capitalism

Varieties of capitalism maintains that countries have distinct institutional structures rooted in their historical and cultural development. Institutions are self-reinforcing and historically resilient because economic actors exert political influence to maintain arrangements that support established business strategies and resist changes that threaten them (Hall and Soskice, 2001).

At the heart of VoC is a dichotomy between liberal market economies (LME), which rely on market mechanisms for co-ordination between firms and other actors, and co-ordinated market economies (CME) which rely instead on strategic co-ordination. LMEs and CMEs derive comparative advantage from *institutional coherence*, i.e., from a consistency of market or non-market mechanisms of coordination across different domains of the economy. Broadly, these domains are i) financial markets ii) corporate governance, iii) industrial relations, iv) skills formation¹ and v) labour market institutions. The domains are sometimes headlined separately or are expanded to include domains that are arguably derivative of others including inter-firm relations, firm strategies, relations with employees and product-market regulation (see variously Hall and Soskice, 2001, Hall and Gingerich, 2009, Kenworthy, 2009, Estevez et al., 2001 and Mares, 2001). In LMEs, arms-length transactions based on competitive markets, publicly available information and formal contracting constitute the primary mechanisms of co-ordination. In CMEs co-ordination is mostly achieved through long-

¹ Otherwise referred to as education and training.

term collaboration with suppliers, trade unions, financial institutions and even competitors, for example over product standard setting and to deliver vocational training. Mixed market economies (MME) combine elements of market and non-market co-ordination and therefore lack *institutional coherence*. Liberal export market economy (LEM) is a derivative category which refers to LMEs with high exports (see critique in section 1.6). In the VoC literature, LME generally refers to the Anglo-Saxon countries and CME to much of continental Europe (excluding the Mediterranean states), the Nordic countries, Japan and Korea. MME, by and large, refers to the Mediterranean states and LEMs include Ireland and much of central and Eastern Europe (see for example Hall and Gingerich, 2009; Hall, 2014; Hall, 2016).

1.2 Comparative advantage of CMEs and LMEs

Institutional coherence is associated with *institutional complementarities* which exist between institutions “if the presence (or efficiency) of one increases the returns from (or efficiency of) the other” (Hall and Soskice, 2001:17). LMEs and CMEs derive comparative advantage in different forms of production from distinctive institutional complementarities and it follows that changes to an institution which impairs its complementarity with other institutions will undermine comparative advantage and harm economic performance.

Across the economic domains, LMEs are characterised by large stock markets; extensive shareholder power and management autonomy; firm-level wage-bargaining; autonomous education and training institutions; weak employment protection and minimalist but universal welfare. The comparative advantage of firms in the ideal-type LME derives from greater responsiveness to new business opportunities through financial markets that provide ready access to risk-capital and from management’s freedom from non-contractual commitments. These, it is argued, are conducive to radical innovation using advanced mobile skills and the rapid adoption of new technology and are reflected in, for example, a greater emphasis on university education and a higher rate of scientific citations in patents (Estevez-Abe et al., 2001:172 & 175; Schneider and Paunescu, 2012). A complementary incentive structure of less secure employment and more conditional and less generous unemployment benefits favour the acquisition of high-level general skills with the widest possible application as individuals seek to mitigate risk by opening the broadest possible set of career options.

By contrast, in CMEs, strategically linked banks provide low-cost, long-term debt financing which facilitates high rates of investment in capital stock while reducing shareholder pressure for short term returns. Sector-led vocational training ensures a supply of labour with specific skills and is complemented by labour market institutions that incentivise workers to enter such training by mitigating the risk of them being stranded with skills that are not readily transferable. Estevez-Abe et al. (2001) identify these institutions as *employment protection*, *unemployment protection* and *wage protection* and they illustrate the complementarity of industrial relations, skills formation and labour market institutions. Employment protection, in the form of legal employment security, provides workers with one element of insurance against specialised skills becoming a stranded asset. Unemployment protection, in the form of benefits paid at high replacement rates for a reasonably long period and without requiring claimants to take jobs incommensurate with their skills, provides a second pillar of support to the value of specific skills. Wage protection secures future earnings relative to other occupations and is achieved through industry-wide collective-bargaining which provides credible commitments on the level of future earnings. Of these three labour-market institutions, this dissertation focuses on unemployment protection and employment protection, firstly, because they are direct features of public policy and, secondly, because cross-national longitudinal data on them are available (see Chapter 3).

The comparative advantage which CMEs derive from this configuration lies in firms' deep competencies in established medium to high technologies and their capacity for incremental innovation i.e., to continuously upgrade and diversify product lines (Hall and Soskice, 2001). But the limits placed on management autonomy by the formal role of trade unions, restrictive employment legislation, the wage protection commitments outlined above and heavy reliance on debt finance, militate against rapid shifts in firm strategies through disposals and acquisitions, high-risk investment in novel technologies or workforce reconfiguration through redundancies and fresh hiring. Firms exert political influence to maintain institutions that support their business strategies, including welfare policies that incentivise workers' investment in specific skills, because the costs of adjustment to new institutional arrangements are high (Mares, 2001). In CMEs, moreover, governments are more responsive to such organised interests than in LMEs (Ezrow and Hellwig, 2015).

In MMEs, by contrast, a mismatch between the protection and production regimes can be expected, with a combination of low social protection and high employment protection deterring investment in specific skills and impeding the adoption of high technology (Molina and Rhodes, 2007). Yet MMEs, despite such comparative disadvantages, still have effectively organised interests that oppose change. Hall (2014) argues that MMEs, unable to adjust to European Monetary Union, suffered a loss of competitiveness which could not be offset by devaluation while, by contrast, for coordinated market economies (CME), the single currency harnessed exchange rate stability to the comparative advantages they already enjoyed and which were unimpeded by wider processes of European integration. The research question asks whether these advantages may in fact be subject to erosion after all, as EU integration impinges on the domestic arenas in which successful institutional settlements are reached.

1.3 Mechanisms and implications of Europeanisation

Leibfried (2015) describes three processes through which member states' eroded legal authority and regulatory capacity may challenge welfare settlements in the EU. These are positive integration in the form of EU law, especially on anti-discrimination; negative integration in the form of rulings by the CJEU, again largely concerning non-discrimination; and indirect market spillover effects such as competitive downward pressure on tax rates and a lowering of clearing wages to attract economic activity. Eurozone countries are, moreover, subject to fiscal constraints which potentially impact welfare spending.

These processes, Leibfried argues, place limits on member state autonomy in welfare policy in four ways. Firstly, states can no longer limit benefit eligibility to their own citizens. Secondly, benefits cannot be limited to residents in the territory of the state, as in the case of Child Benefit in the UK. Thirdly, the rights of establishment and freedom to supply services upheld in, for example, *Viking* and *Laval* and *Rüffert* effectively represent competition from other social systems.² Fourth, states have been denied exclusive rights in the administration and adjudication of benefits as in, for example, the *Paletta* cases which enabled a claimant's doctor in Italy to certify entitlement to sickness benefit in Germany, a development which,

² *Viking* C-438/05, *Laval* C-341/05 CJEU, *Rüffert* C-346/06

Leibfried reports, exposed the German system to fraud.³ The CJEU's focus on treaty rights means that its rulings will principally be to disallow national regulations which impede mobility and it therefore has a structural bias in favour of deregulation which suits the status quo of LMEs but which is a threat to the welfare systems, and hence the comparative advantage, of continental and Scandinavian CMEs (Scharpf, 2010).⁴

Caporaso and Tarrow (2009:594), by contrast, argue that the CJEU has created an "international system of social protection" based on "supranational embedded liberal compromises". Here, Polanyi's concept of markets, and the institutions of social protection which support them, being embedded in the societal bargains of particular countries is applied to the EU. But this more optimistic view has been rejected as unrealistic given the Single Market remains embedded in institutions of social protection which remain national and which are potentially destabilised by the obligations imposed on them (Ashiagbor, 2013). Ashiagbor argues that while such pressures were hardly significant among the founding six members of the EEC they grew with enlargement to the UK, Ireland and Nordic countries, with liberal and universalist welfare systems. By this logic, it follows that accession of the substantially poorer countries of central and eastern Europe has even greater potential to destabilise national settlements.

Political action at the EU level that might protect national welfare systems or give more substance to Caporaso and Tarrow's 'international system of social protection' is hampered by limited treaty competencies and the absence of resources. In fact, positive integration, which provides scope for constraining the market, can be seen in opposition to negative integration acting to extend it, an opposition which prioritises rulings of the CJEU over EU law (Offe, 2003). Scharpf refers to an 'institutional asymmetry' between the strong policy making role of judges and the high consensus requirements that impede political action given the overlay of right-left and integration-anti-integration cleavages. One analysis of this configuration of supranational governance holds that it may pose a threat to the EU itself. By challenging member states' social-democratic settlements, it also threatens their liberal

³ *Paletta C-45/90 & C-206/94*

⁴ Scharpf refers to both 'social' and 'co-ordinated' market economies at different points in the article without distinguishing between Esping-Andersen's social democratic and conservative welfare typologies.

constitutional orders by opening the way to populist authoritarianism and Euroscepticism (de Búrca, 2018).

1.4 Intra-EU migration and welfare

Migration is a key mechanism through which Europeanisation effects can operate and migrant rights were effectively at stake in the legal cases cited, albeit indirectly. But migration potentially challenges the social and political basis of solidarity which, as Streeck, states, is built on cross-class settlements “forged at the level of nation states” (Streeck, 2016:246). There is an extensive literature on the interplay between models of capitalism, welfare and immigration with the idea that immigration can undermine the social and political embedding of markets being a key theme. It is a literature in which the impact of immigration on support for welfare states and on their viability is the “most rapidly expanding area of research” and it is one in which the specific case of European integration plays an important role (Afonso and Devitt, 2016:597).

In theory, expanded rights for EU citizens from other member states have the potential to strain national welfare systems. But even perceptions of such cost pressures may undermine support for EU integration and give rise to ‘welfare chauvinism’ which seeks to limit eligibility to country nationals. Welfare regimes are founded to varying degrees on what Hall (2017) calls ‘actuarial’ and ‘citizenship’ conceptions of legitimacy, concepts which are germane to welfare typologies including Esping-Andersen’s (1990) three worlds of welfare. The conservative, contributory model rests largely on actuarial legitimacy and the social-democratic and liberal types on citizenship. Afonso and Devitt (2016) state that whether Esping-Andersen’s welfare types are differently subject to immigration pressures remains unanswered by research but they note that, logically, universal systems should be under greater fiscal pressure than contributory systems which enable greater segmentation of rights. Empirical analysis by Kim and Zurlo (2009), at least, confirms that immigration induces greater pressure on social-democratic than on conservative or liberal regimes.

The evidence on fiscal impacts, however, tends to confound public fears even in high spending countries. Burgoon (2014) reports that for most European countries the net fiscal burden of immigration is less than 1 percent of GDP. But even this relatively small cost may result from

immigration from outside the EU. In the UK, for example, from 1995 to 2011, migrants from the EEA contributed on average 10% more than natives while non-EEA migrants contributed 9% less (Dustmann and Frattini, 2014). Notwithstanding historically high social spending, Martinsen and Rotger (2017) conclude that EU migrants make a significant net positive fiscal contribution in Denmark. But ungrounded fears can be politically salient and as consequential as empirically justified ones. Survey data from 20 European countries showed greater concern over the fiscal impact of immigration than over labour market competition (Preston, 2014). Beaudonnet (2015) showed that, on average, 50 percent of Europeans see European integration as a potential threat to their welfare entitlements including 70 percent in France and 65 percent in Germany. She finds support for European integration is lowest in countries with the most generous welfare systems, among those most dependent on welfare and among individuals who subjectively *feel* least protected by it. Similarly, Baute et al. (2018) identify the greatest fear of European integration in countries with the highest social spending although fears over social spending are no greater than over other issues related to EU membership. Research by Hall (2017) found welfare chauvinism to be greater in countries with means-tested liberal regimes than in universal social-democratic systems and this chimes with Beaudonnet's finding that those who feel least protected by welfare fear European integration the most and with Burgoon (2009), who links more limited welfare systems to greater hostility to globalisation. Across the EU in countries with both more and less generous welfare systems, constituencies exist for whom apparently unjustified but at least explicable and politically salient forms of loss-aversion have electoral and policy consequences including the rise of right-wing populism.

The Danish People's Party has made the segmentation of entitlements between Danish nationals and migrants into a coalition forming strategy (Careja et al., 2016) and a debate on the legitimacy of Denmark's universal welfare state has been fueled by the frustration of attempts to limit extra-territorial and extra-national eligibility (Greve, 2014). In supporting centre-right coalitions, the Sweden Democrats, have argued for separate budgets for migrants and Swedish-born nationals (Bó et al., 2018). While there is no evidence to support the 'welfare magnet' thesis in either Denmark or Germany, the German welfare system is showing signs of a bifurcation which disadvantages EU migrants (Martinsen and Werner, 2019). Similarly, Kramer et al. (2018) argue that welfare systems in Denmark and the

Netherlands have ‘quarantined’ mobile EU citizens through creative redrawing of entitlement rules.

Country responses appear to be driven more by political than fiscal pressures or, to use Afonso and Devitt’s terminology, more by *political* than *functional* logic (2016:597), a logic that plays out in both electoral competition and in the formation of coalitions and with the potential to undermine established welfare systems. Right-wing populist parties, although relying heavily on the support of blue-collar, left-inclined voters who support welfare programmes and labour market regulation, find they can only gain office as junior coalition partners with conservative parties that are more likely to support cuts in both (Roth et al., 2018). They are faced, therefore, with a choice between betraying their voters or opposing their coalition partners and losing office (Afonso, 2015). Assuming right-wing populist parties have broader platforms that make office-taking electorally worthwhile, a bias towards retrenchment appears logical.

Whether EU integration has in fact impacted unemployment benefit is not clear in the literature but relevant studies use data that are now too old to capture responses to the most consequential stages of EU integration. Starke et al.’s (2008) welfare convergence study of 18 OECD countries tested both aggregate spending and net replacement rates (NRRs) from 1980 to 2003 (2002 for NRRs). In the case of unemployment benefit they found more convergence in replacement rates than spending but could identify no clear Europeanisation effect among the EU countries in their panel. Schmitt and Starke (2011) focus instead on changes in social spending as a percentage of GDP between 1980 and 2005 and do find greater convergence among EU than non-EU countries for *some* programmes although they were unable to test this effect for unemployment benefit. These studies highlight both the value of more recent data and the importance of selecting an appropriate dependent variable.

1.5 EU integration and employment protection legislation (EPL)

By contrast with unemployment and other welfare entitlements, there is a relative lack of empirical research on the pressures that induce EPL reforms (Riekhoff, 2017; Emmenegger, 2009) and although various factors have been linked to them, the literature focuses mostly on the impacts of globalisation rather than specifically on EU integration. Trade-openness

(exports plus imports as a proportion of GDP), has been linked to EPL reform in general (Riekhoff, 2017) or only to permanent EPL reform (Fischer and Somogyi, 2009). Potrafke (2013), on the other hand, finds no link between globalisation and labour market deregulation. It is more likely to be resisted by left-wing governments (Riekhoff, 2017) and where there is strong worker bargaining power (Emmeneger, 2013; Saint-Paul, 2002). But, as Jensen et al. (2014) argue, EPL can be used as a cheap substitute for unemployment benefit with cuts to benefit being compensated by stronger employment protection. Conversely, EPL deregulation may accompany more generous benefit to offset the increased risk of unemployment, a shift to 'flexicurity' actively promoted by the European Commission as part of the European Employment Strategy (EES) which has put effective pressure on EU members to reform domestic labour market institutions through recommendations and non-binding targets (Paetzold and Van Vliet, 2014). Changes to EPL, therefore, may be an indirect Europeanisation effect stemming from changes to unemployment benefit or stem more directly from policy coordination.

1.6 Putting varieties of capitalism to the test

This dissertation tests a hypothesised Europeanisation effect on two policy variables and it does so to explore whether European integration potentially undermines the coherence of national varieties of capitalism. Unemployment benefit and employment protection legislation, the chosen variables, are significant among the sub-domains of the political economy on which VoC theory is founded and are integral to the coherence or incoherence of its models. While the hypothesised Europeanisation effects can be tested on the data, conclusions on their systemic implications will be more conjectural and rest on the cogency of VoC as a theoretical framework, on whether changes to unemployment benefit and employment protection legislation do in fact represent a loss of comparative advantage through eroded institutional complementarities.

Varieties of capitalism has become a "dominant" perspective within comparative political economy (Baccaro and Pontusson, 2016:177; Thelen, 2019:298), a field which bifurcates between various theories of liberalisation, convergence or globalisation on one hand and theories which promote persistent national models on the other. But aspects of it are challenged, including its claims on innovation, the stability of regimes and the institutional

coherence and complementarities ascribed to its models. Hall and Soskice's (2001) claim that LMEs are more successful at radical innovation than CMEs rests in part on a tally of patents, rates of academic citations in patents and the volume of scientific publications over two five-year periods (Taylor, 2009). Using a larger dataset and longer timescale, Taylor fails to replicate Hall and Soskice's predictions and finds that, in any case, they rely heavily on the inclusion of the United States which is an outlier in terms of scale, the role of military spending in driving scientific innovation and the advantages of a reserve currency. Crouch (2009) questions whether New Zealand really has a higher capacity for innovation than Germany, Sweden or Switzerland as Estevez-Abe et al. (2001:175) imply in a ranking of scientific citations and he suggests that the traditions and incentives of common law as compared to civil law may explain higher patent filing rates in LMEs just as the dominance of English in academic publications may account for the higher rate of academic citations.

The stability of VoC types has also been questioned. In firms' efforts to escape competitive pressures through internationalisation, Streeck and Thelen (2009) see processes of displacement, layering, differential growth, drift and exhaustion that allow incremental liberalisation to proceed without political mobilisation and notwithstanding the path-dependence and positive feedback loops which theoretically sustain the different varieties of capitalism. Schneider and Paunescu (2012), tracking eight indicators across four domains of the political economy from 1990 to 2005, identify a transformation from CME to LME or 'LME-like' status in Denmark, Finland, Sweden and the Netherlands. This largely Nordic liberal shift is reflected in a new 'flexicurity' of flexible labour markets and universal social safety nets while continental CMEs have moved towards 'dualisation' between secure labour market insiders and outsiders in more precarious temporary employment or unemployment (Thelen, 2014). In Thelen's critique, the different logics of conservative and social-democratic welfare traditions have driven an increasingly marked bifurcation between continental and Nordic CMEs. Germany, in particular, is characterised by decreasing social solidarity while the Nordic response has been to secure the sustainability of universal welfare systems by driving up employment rates through a liberalising shift to softer employment rights.

The key idea of institutional coherence across all domains of the political economy has been questioned. Kenworthy (2009) disputes the empirical basis of Hall and Gingerich's (2009)

claims of a correlation between measures of coherence and superior growth. Witt and Jackson (2016) argue that Germany and Japan have enhanced innovation through liberalising corporate governance while maintaining coordination in other domains, succeeding through an example of institutional *incoherence* at odds with a key tenet of VoC.

In fact “critical commentaries” of VoC “abound”, although most promote theories of globalisation, liberalisation or convergence rather than proposing alternative categories of national political economy (Baccaro and Pontusson, 2016:179). ‘Growth models’, however, classify countries according to the relative importance of exports and consumption growth which, in turn, reflect the preferences of dominant social blocs in the distribution of income. Baccaro and Pontusson, for example, argue that the falling wage-share in GDP which has accompanied Germany’s export success reflects the relative power of capital over labour; that high consumption in the UK reflects the interests of the financial sector; and that balanced growth in Sweden stems from a political stalemate.

Meanwhile VoC has evolved by incorporating components of growth as a criterion of classification and by adding liberal export market economy as a new variety (see for example Hall, 2014; Hope and Soskice, 2016), accommodations which, it has been claimed, “protect the model from falsification at the price of watering it down” (Streeck, 2016:244). In a challenge to its claim of causal analysis, Crouch (2009) accuses VoC of relying on the selection of empirical detail to justify pre-determined Weberian ideal types.

Apart from testing the primary hypotheses on Europeanisation, the datasets used for this study can be tested against two of the above critiques. Both Schneider and Paunescu’s reported liberal shift in the Netherlands and Nordic countries and the bifurcation between Thelen’s (2014) Nordic ‘flexicurity’ and continental ‘dualisation’ should be discernible in the data. VoC is affirmed to the extent that these two lines of argument, which deny the persistence of its models, are refuted and it is challenged to the extent they are shown to be true. These tests, while not conclusive and resting on two narrowly focused datasets, provide a means of corroborating the premise of the research question.

2. Methodology

This chapter sets out the methodology including the rationale for reviewing a 28-year span of EU integration. It argues, by reference to the literature on Europeanisation research, that non-EU controls provide the best way of testing Europeanisation hypotheses. It makes the case for using country groups as the primary unit of analysis, for focusing on coordinated market economies in the EU, for using Japan and Korea as comparators and for using both EU and non-EU liberal market economies to provide additional controls for Nordic countries.

2.1 Time-period

Given the objective of tracing often indirect impacts of European integration, a time frame spanning the major stages of integration and a margin for inevitably lagged institutional responses is desirable. These stages include the creation of the Single Market, monetary union, enlargement to central and Eastern Europe (CEE) and the Eurozone crisis and its aftermath. Changes to indicators of unemployment and employment protection, in so far as they can be attributed to European integration, are likely to be significantly lagged because, following Pierson (1996), welfare systems are path dependent and persistent. In addition, pressures for change may be more political than fiscal, stemming, as argued above, from welfare chauvinism that takes time to percolate through electoral politics to policy changes. A period from 1990 to 2018 has been selected because it covers the steps towards integration referred to and allows the maximum time for institutional adaptation. This is also the maximum period for which suitable data are available on a broadly consistent basis as is discussed in Chapter 3.

2.2 Country case selection

Logically, CMEs are vulnerable to the erosion of complementarity in a way that LMEs are not. Theoretically, the comparative advantage of LMEs, should not be undermined by cuts to unemployment and employment protection (although it could be hampered if increases in labour market regulation impeded the adaptability of firms). In LMEs, even the complete removal of unemployment and employment protection should not impact labour market complementarity with skills formation and with other domains of the political economy. Whatever the social and economic consequences, purely in terms of VoC theory, and

assuming that pervasive insecurity did not in fact hinder individuals' investment in education, the incentives for general skills acquisition and higher education should be unchanged. MMEs, by definition, lack the institutional coherence by which labour market complementarity with other domains of the political economy theoretically confers comparative advantage. So the question of whether they face a trade-off in the same way as CMEs or LMEs does not arise.

Haverland (2005) states that Europeanisation research should treat EU membership as an independent variable and that hypothesised Europeanisation effects should be tested by comparison of EU cases with non-EU cases. These control cases should be similar in the variables to be treated as constant and dissimilar in the variable to be analysed (Lijphart, 1971). A simple approach would be a paired comparison between a single EU CME and a single non-EU CME.

Germany is the obvious choice of EU CME but has two shortcomings as the sole EU case. Firstly, the 2003-2005 Hartz reforms in Germany, which reduced the period after which the skilled unemployed were required to take lower-skilled jobs or even 'mini-jobs' supplemented with minimal social assistance, may have been so consequential and such a particular national response to the high unemployment that followed German reunification (Tooze, 2019; Dyson, 2002) that it is anomalous among CMEs even if some reforms were, in part, preparation for EMU (Schnyder and Jackson, 2013) and, therefore, a Europeanisation effect at least to that extent. Secondly, there is a potential bifurcation among EU CMEs between continental conservative and Nordic social-democratic welfare regimes, a dichotomy which theoretically could be more consequential than the difference between EU CMEs and non-EU CMEs (see for example Afonso and Devitt, 2016). An alternative to Germany could be chosen from among Austria, Belgium and the Netherlands but, again, none stand out as a credible substitute given their generally small size. As Haverland notes, "why study Europeanisation if one does not include the most 'important' EU member states" (2005:2).

The potentially different response of social-democratic welfare systems might be addressed by including Sweden, the largest of the Nordic CMEs. But Sweden also presents some anomalies. The 'make work pay' agenda implemented from 2006 was a particularly far-

reaching set of tax cuts and social insurance reforms (Bó et al., 2018) arising from an essentially Kuhnian paradigm shift, with largely domestic antecedents (Schnyder & Jackson, 2013; Vartiainen, 2001). As in Germany, left-right contestation for issue ownership (Davidsson and Marx, 2013; Schumacher, 2012) may also have driven Swedish reforms in ways that were perhaps unusual or unrepresentative of similar countries. How political partisanship influences welfare retrenchment is unresolved in the literature with some authors finding social-democratic/left governments less likely to retrench (for example, Allan and Scruggs, 2004; Tepe and Vanhuysse, 2010) while others find little effect (Loftis and Mortensen, 2017; Pierson, 1996). Instances of left-of-centre governments retrenching more than right have also been cited (e.g. Schumacher & Vis, 2012). Whatever partisan effects are, however, their impact on this study is minimised by the 28 year period selected.

That Germany and Sweden make potentially atypical cases is also suggested by the extent to which they have deregulated temporary employment, as shown in Chapter 3. In addition, Sweden has substantially the highest proportion of foreign-born residents among the Nordic countries which, as discussed earlier, may have conditioned its response in ways that are not typical.⁵ And, to invoke Haverland (2005) again, neither Denmark nor Finland appears credible as the sole example of its type any more than one of the smaller continental CMEs.

2.3 Country group analysis

To limit the impact of national particularities, the approach adopted is to include Germany, Austria, Belgium and the Netherlands as a continental group with Sweden, Denmark and Finland as a Nordic group to broadly reflect conservative and social-democratic welfare regimes. The study therefore compares average values of the chosen labour market indicators while taking account of country variations within them. Chapter 4 identifies difficulties with welfare regime classifications, including Esping-Andersen's three worlds, and the imperfect equivalence between Nordic and continental and social-democratic and conservative. From the OECD unemployment benefit data used for the study, Chapter 4 shows that for

⁵ Foreign-born populations are Sweden, 16.8%; Denmark, 10.1%; Finland, 5.7%; Austria, 17.5%; Belgium, 12.3%; Germany, 14.9%; Netherlands, 11.7%; Japan, 1.9%; South Korea, 2.9%. The rates for major English speaking countries are: Australia, 28.2%; New Zealand, 23%; US, 14.5%; Canada, 21.8%; Ireland, 15.9%; UK, 13.2%. Source: UN, *Trends in International Migrant Stock*, 2015.

unemployment benefit at least, and with the possible exception of Austria, they were reasonable proxies even if the difference between them does not appear to be fundamental.

Japan and Korea, both usually identified as CMEs (see for example Hall and Gingerich, 2009), are the most suitable comparators for EU CMEs and have broadly similar unemployment benefit systems (see discussion in Chapter 4). Norway and Switzerland are potential non-EU controls for EU CMEs but both have idiosyncrasies which can distort research findings (Haverland, 2005). They are small and with exceptionally high income per capita and, in any case, allow free movement of people either through EEA membership or the EU-Swiss Agreement on the Free Movement of Persons. They are therefore subject to similar pressures and incentives as EU members and make unconvincing controls. Haverland further argues that states bordering or close to the EU are likely to be subject to policy learning and diffusion which undermines their value as independent cases when indirect effects are being hypothesised as in this study. Indirect effects, Haverland states, require controls to be geographically distant but with enough political, institutional, and socio-economic similarities. Trade and language ties are as important for policy learning and diffusion as geographical proximity (Obinger et al., 2013). So Switzerland, for example, sharing not just a border but a language with Austria and Germany, is a notably poor control for this reason as well. The cultural and social differences between EU countries and Japan and Korea are potentially problematic but their size and per capita income are not dissimilar and there are no other suitable comparators among countries identified as CMEs in the VoC literature. An obvious and further difficulty is the absence of immigration pressures (see footnote on page 20) which potentially drive retrenchment in EU and other western countries and, it has been argued here, may impact social-democratic welfare regimes more than conservative ones. Assuming Nordic countries can in fact be classified as social-democratic and continental countries as conservative, this means that Japan and Korea provide a better control for continental than for Nordic CMEs.

2.4 LME control for Nordic CMEs

The inclusion of LMEs in the study provides an additional test for Europeanisation effects. Insofar as Nordic CMEs have more universal welfare regimes than continental CMEs, they should be more susceptible to Europeanisation pressure actuated through intra-EU migration

than continental CMEs because benefit entitlements are less easily segmented. But liberal welfare regimes, resting on Hall's (2017) 'citizenship legitimacy' and with generally universal, albeit means-tested entitlements, are also, hypothetically, susceptible to intensified Europeanisation pressure especially if they engender greater welfare chauvinism than more generous regimes, as Hall argues they do. The case for Europeanisation effects is strengthened if EU LMEs follow a similar path to Nordic CMEs while non-EU LMEs do not. For this reason, the study includes the UK and Ireland even though their susceptibility to a loss of institutional complementarity is not hypothesised. Recent VoC literature classifies Ireland as an LEM but it has similar labour market institutions to the UK and especially to Australia and New Zealand which are used as non-EU LME controls (see Chapters 3 and 4). The US and Canada are less suitable controls because, counterintuitively and with some caveats, their unemployment benefit regimes are relatively conservative as discussed in Chapter 4. But they are included in the analysis because the distinctive positions they occupy contextualise the other country groups within the range of labour market regimes and, it will be argued, provide better examples of 'flexicurity' than exist in the EU.

3. Data sources

This chapter explains the choice of dependent variables and datasets and provides graphical representations of the time series used for unemployment benefit and employment protection legislation. It details adjustments made to produce a continuous time series by combining Van Vliet and Caminada with OECD data.

3.1 Choice of unemployment benefit indicator

Unemployment benefit can be assessed either by expenditures or entitlements. Expenditure measures derive from aggregate spending although they can be represented on a per claimant or per unemployed person basis. Entitlement indicators, generally income replacement rates, derive more directly from political decisions, are independent, at least in the short run, of the level of demand and allow for measures of progressivity and universalism (Wenzelburger et al., 2013) and therefore enable assessments of welfare regime type which cannot be made from spending data. On the other hand, they are more subject to bias in the choice of hypothetical model family (Schmitt and Starke, 2011) and, as Table 1 shows, the OECD now publishes NRRs for eight family types at three previous earnings levels, all with and without housing supplements amounting to 48 different time series or even 672 if all the unemployment duration options are included. But individual protection levels, which are most obviously linked to the labour market incentives of VoC, are most readily assessed with entitlement data (Korpi and Palme, 2003). The key, therefore, is to select the single most appropriate NRR dataset or to aggregate different rates in a reasonable way.

3.2 Choice of datasets

Wenzelburger et al. (2013:1229) refer to the “two most prominent” comparative welfare datasets as Allan and Scruggs’ Comparative Welfare Entitlements Dataset (CWED), which holds data from 1971 to 2011, and Korpi and Palme’s Social Citizenship Indicator Programme (SCIP) with data from 2001 to 2011. Starke et al. (2008), for example, use CWED. The CWED unemployment benefit replacement rates were updated and refined by Van Vliet and Caminada (2012) who produced data for 1971 to 2009 which, importantly, are in a format directly comparable to the OECD series which now exist for 2001 to 2018.

3.3 Combining datasets

Table 1. Comparison of Van Vliet and Caminada and OECD

	Van Vliet and Caminada (VVC)	OECD (2019 release)
Indicators	<ul style="list-style-type: none"> • Net replacement rate (NRR) • Gross replacement rate (GRR) 	<ul style="list-style-type: none"> • Net replacement rate (NRR)
Earnings basis	<ul style="list-style-type: none"> • Average production wage (APW) 1971 – 2009 • Average wage (AW) 2000 – 2009 (from 2001 in some cases) 	<ul style="list-style-type: none"> • Average wage (AW) 2001 - 2018
Previous earnings	<ul style="list-style-type: none"> • 100% of AW • 100% of APW 	<ul style="list-style-type: none"> • Minimum wage (exc. AUT, DK, FIN, SWE) • 67% of AW • 100% of AW
Family types	<ul style="list-style-type: none"> • Single person • Couple with two children – partner out of work 	<ul style="list-style-type: none"> • Single person • Single person with two children • Couple without children – partner out of work • Couple with two children – partner out of work • Couple without children – partner earning AW • Couple without children – partner earning 67% AW • Couple with two children – partner earning 67% AW • Couple with two children – partner earning AW
Time after unemployment	<ul style="list-style-type: none"> • Initial 	<ul style="list-style-type: none"> • Can select from 2 to 60 months
Housing	<ul style="list-style-type: none"> • Excluding housing supplements 	<ul style="list-style-type: none"> • Excluding housing supplements • Including housing supplements

It is clear from Table 1 that the only continuous time series that can be constructed are net replacement rates (NRR)⁶ in the earliest phase of unemployment for a single person and for a one-earner couple with two children based on previous earnings at 100% of the average and excluding housing supplements. While Starke et al. (2008), for example, adopted the average NRR value for a single person and a one-earner couple with two children, the single person time series on its own has two advantages for this study.

Firstly, the replacement rate paid to a single person best represents the institutional assurance of what Offe (2003:444) calls the ‘skill rent’ due to employees for their previous earnings. The datasets incorporate conditional elements including minimum guaranteed income, family allowances and housing supplements which are paid according to need and not previous employment status. But these do not provide the incentives identified by VoC and could even hinder the supply of skills through the creation of benefit traps. Secondly, the single person NRR, being the simplest to calculate, is the least subject to variation arising from

⁶ Net of taxation.

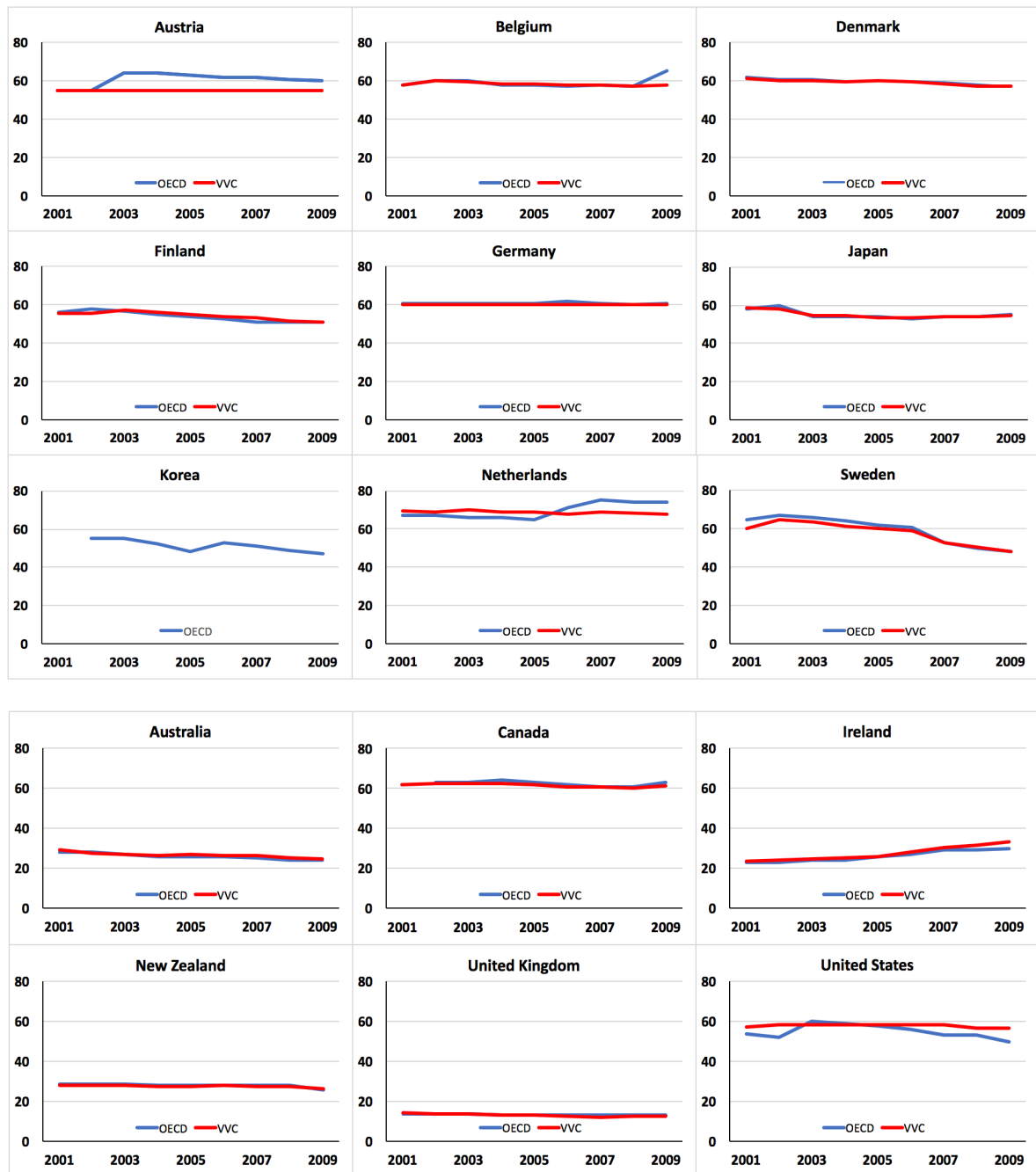
classifications and assumptions in the compiling methodology. Scruggs (2013) refers to the practical and conceptual choices that complicate the calculation of comparative entitlement measures while Wenzelburger et al. (2013) attribute discrepancies between CWED and SCIP to differing assumptions over, inter alia, family composition and the age of children.

Nor do methodologies remain static. For example, between 2018 and 2019, the OECD retrospectively reclassified as family allowance what had hitherto been housing supplement in Denmark. The pre-2017 NRRs for a one-earner couple with two children excluding housing supplements for Denmark published in 2019 were around 40% higher than the same data points published in 2018, a change which moved the OECD out of line with VVC and which was accompanied by other reclassifications affecting other country data in different ways. The single person NRR therefore gives the most reliable international comparison over time and, crucially, the closest comparability between the two data sources being used for this study.

An exclusive focus on the basic single person NRR, however, risks ignoring potential structural shifts between principles of individual status rights and redistributive effort or poverty reduction. Such changes in progressivity and conditionality may correlate with either globalisation or European integration and may have implications for VoC. To validate the country case selection in Chapter 2 and to test the stability of unemployment benefit regimes, therefore, four additional time series which include housing and family supplements and cover lower earnings are analysed in Chapter 4.

The OECD and VVC single person NRRs are compared in Figure 1 for 2001 to 2009, the years for which they coincide on an *average wage* basis. It shows that, in general, the sources are very close although there are some deviations in the cases of Austria, Belgium, the Netherlands and the United States which may result from OECD methodological changes given that the VVC series are more consistent. There is therefore a simple way to construct a continuous time series from 1990 to 2018 for every country in the study except Korea, which is not included in the VVC dataset, subject to adjustments for different earnings bases.

Figure 1. Van Vliet and Caminada compared to OECD (2019), 2001–2009
Single Person, 100% of AW, excluding housing supplements
Time from unemployment: OECD, 2 months; VVC, 0 months



Source: OECD (2019) and VVC (2012), Appendix 1a and 2a.

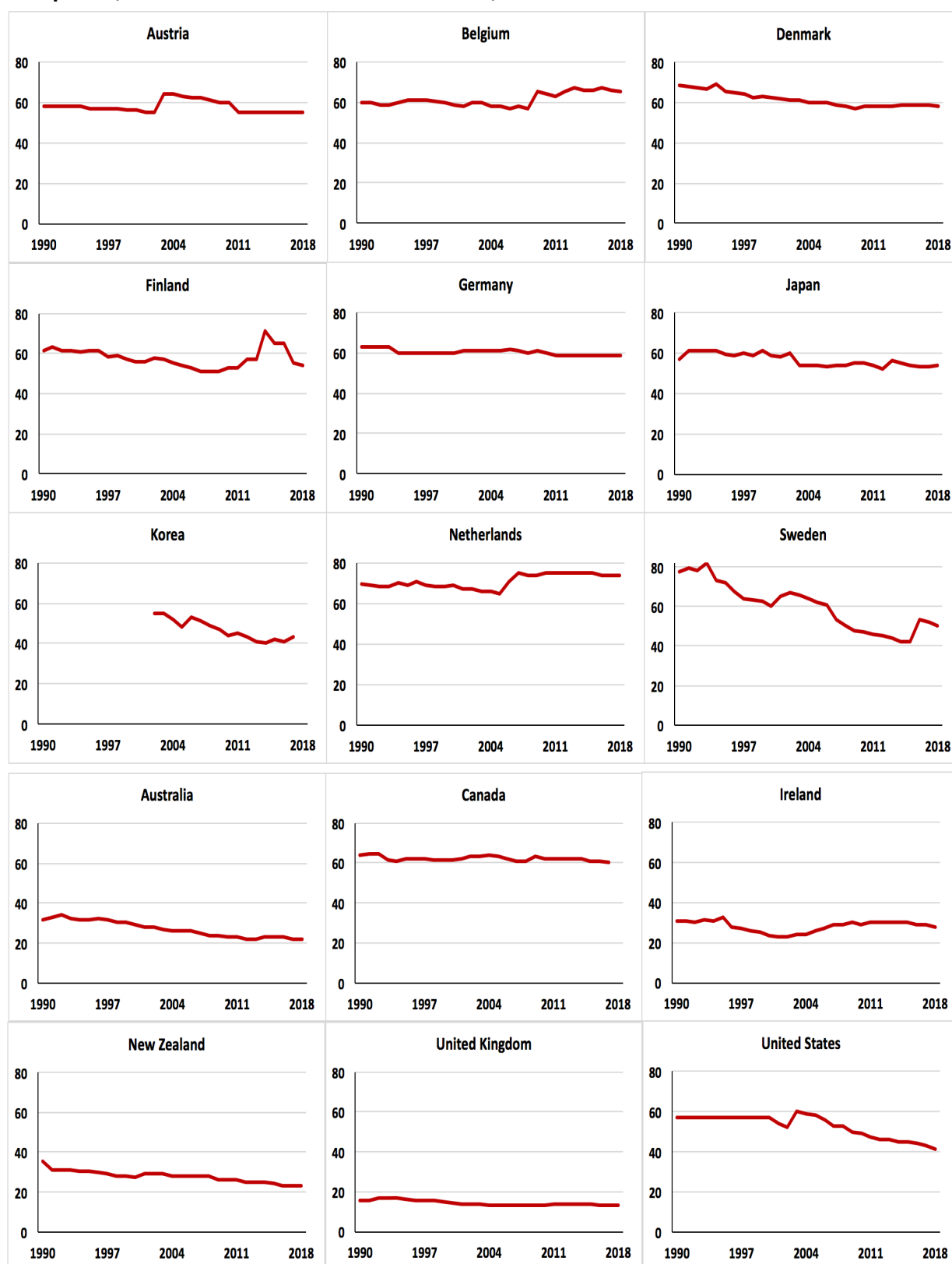
3.4 Adjustment for earnings basis

Van Vliet and Caminda data for the years before 2000 are on an average production wage (APW) basis only, but for 2000 to 2009 they are on both average production worker and average wage (AW) bases. The data extracts are included at Appendix 2a. A NRR for the average wage (NRR_{AW}) which is higher than the NRR for the average production wage (NRR_{APW}) indicates that average production wages are higher than average service sector wages, and vice versa, because a higher NRR is just a higher proportion of a lower wage assuming the same nominal benefit. The difference between the two measures stems from differences between average production and service sector earnings and the relative weight of services and production in the economy, factors which are not fixed in time. The difference between the two indicators for the year 2000 is therefore used to adjust NRR_{APW} to an estimate of NRR_{AW} for 1990 to 1999 because it is the closest year for which VVC give both measures. In five cases the differences are either zero or under one percentage point and in four cases, under two points. For Belgium, Ireland, the Netherlands and the UK, the difference is between four and five points and for Sweden it was eight points (see Appendix 2b).

3.5 Composite net replacement rate graphs

Combining the estimates from Appendix 2b with the OECD data from Appendix 1a gives the composite NRR time series shown in Figure 2. The uneven trajectory of the curve for Sweden may indicate that the relatively large downward adjustment to the VVC NRR_{APW} is excessive for the early years. Trends in the difference between NRR_{AW} and NRR_{APW} from 2000 to 2009 give an insight into structural changes underway (Appendix 2d). In most cases the difference is relatively stable which implies that estimated NRR_{AW} values are generally reliable for the earlier years. The downward trends for Sweden and Japan imply underestimates which suggest benefits may have been reduced from slightly higher starting points. The upward trends for Belgium, Canada and the Netherlands, imply a degree of overestimation and slightly lower starting benefit generosity. The discontinuities shown in Figure 1 are evident in Figure 2 and may partly reflect methodological changes by the OECD as may upward shifts in the Finnish NRR in 2014 and Sweden's in 2016, both of which should be treated with caution.

Figure 2. Unemployment net replacement rates
Composite, Van Vliet and Caminada with OECD, 1990 – 2018



Single Person, 100% of average wage, excluding housing supplements

Source: Derived from Van Vliet and Caminda (2012), OECD (2019), Appendices 1a and 2b

No OECD values are available for Canada or Korea for 2001 and 2018.

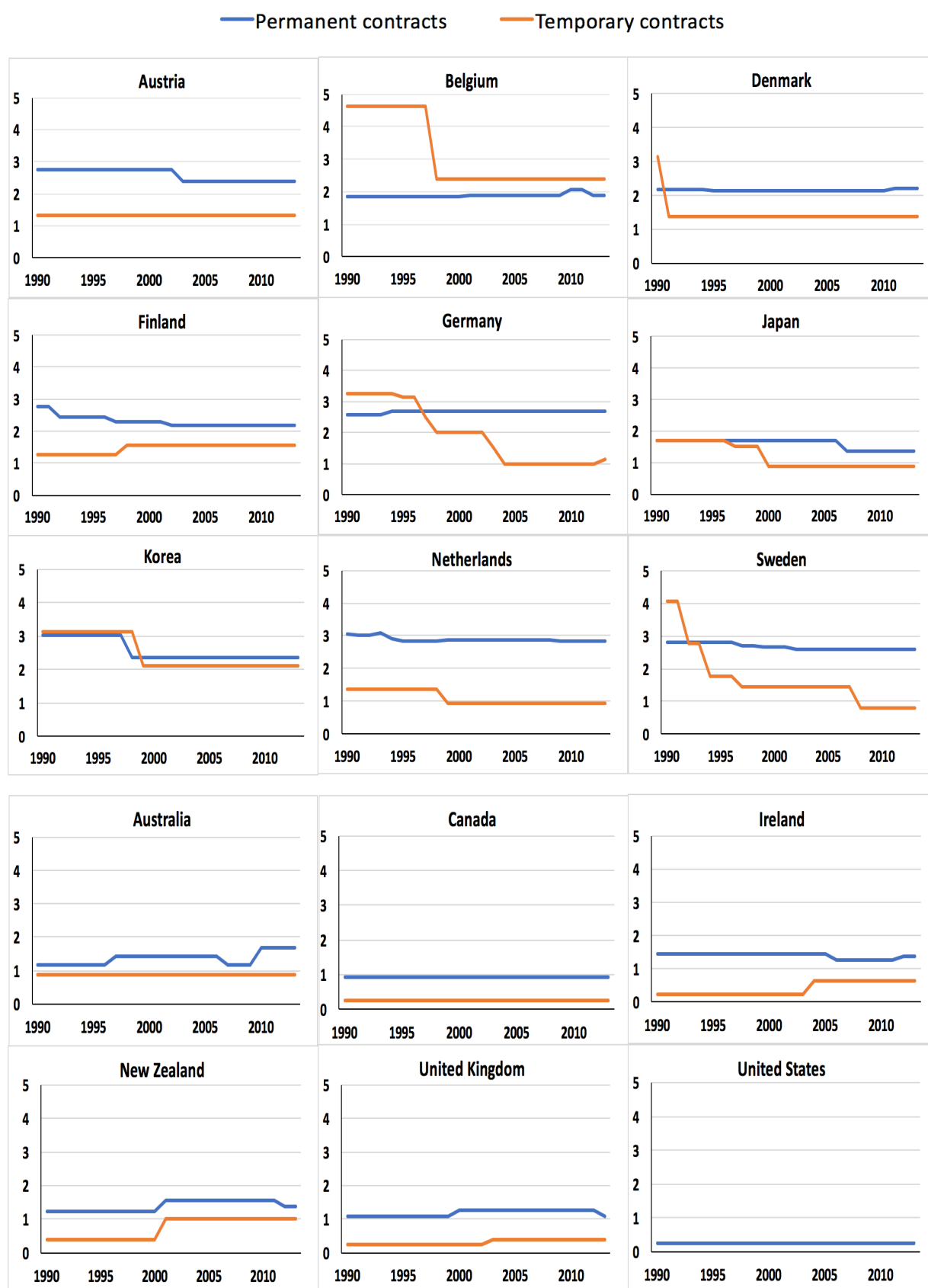
The VVC NRR_{AW} for 2000 is used for Canada for 2001.

3.6 OECD employment protection legislation dataset

The OECD indicators of employment protection legislation strictness are compiled from 21 measures covering regulations on dismissal notification procedures, length of notice, severance pay, unfair dismissals, probationary periods, compensation, extra conditions on collective dismissals, and controls on the use of fixed term contracts. They are available only for the years 1990 to 2013 so changes over this more limited period will be evaluated against changes in benefit generosity for the full 1990 to 2018 period. Figure 3 shows EPL strictness for each country. There are separate indicators for permanent and temporary contracts with the former largely covering requirements for dismissals and the latter, restrictions on the use of fixed term contracts. The units for permanent EPL (EPLP) and temporary EPL (EPLT), therefore, are not directly comparable but the graphs are overlaid to show the changing relationship between the two indicators in each country. The data show a division between relatively high EPL in CMEs and lower EPL in LMEs as predicted by VoC. Japan's comparatively deregulated labour market is anomalous among CMEs but, arguably, has a functional counterbalance in the norms of life-time employment.

EU CMEs have largely maintained EPLP while EPLT has been relaxed in countries where it was high, notably in Belgium, Denmark, Germany and Sweden. By the end of the period, a combination of relatively strong EPLP and limited restrictions on the use of temporary contracts (low EPLT) represented conditions for labour market dualisation which is particularly marked in Germany, Sweden and the Netherlands.

Figure 3. OECD EPL Strictness indicators, 1990 – 2013



Source: OECD (2019), Appendices 3a and 3b

4. Unemployment benefit regimes

This chapter highlights difficulties in applying commonly understood welfare typologies to unemployment benefit. It assesses unemployment benefit systems on measures of conservatism and liberalism to validate the use of Nordic countries as a separate category of EU CME and the use of Japan and Korea as comparators. It validates the use of Australia and New Zealand as comparators for the UK and Ireland in the additional control for Nordic CMEs.

4.1 Welfare typologies

Esping-Andersen's three worlds of welfare are derived from aggregate decommodification indices across three programmes (pensions, sickness and unemployment) but scores for unemployment benefit are not always in line with overall scores. Unemployment benefit systems can not therefore be automatically categorised as liberal, conservative or social-democratic using Esping-Andersen's overall indices. See table 2.

Table 2. Esping-Andersen's decommodification index scores

		Overall DC Index	UB DC Index
Liberal	AUS	13.0	4.0
	US	13.8	7.2
	NZ	17.1	4.0
	CAN	22.0	8.0
	IREL	23.3	8.3
	UK	23.4	7.2
Conservative	JPN	27.1	5.0
	GER	27.7	7.9
	FIN	29.2	5.2
Social-democratic	AUT	31.1	6.7
	BE	32.4	8.6
	NL	32.4	11.1
	DK	38.1	8.1
	SWE	39.1	7.1

Source: Esping-Andersen, 1990, p50 and p52

Note: Korea was not included in Esping-Andersen's survey.

Canada and Ireland appear to have conservative unemployment benefit systems which rank above Austria, Sweden and Germany. The USA, second in Esping-Andersen's order of liberal regimes, ranks above Sweden which has the highest, most social-democratic, overall score. Conservative Japan and Finland have among the lowest scores for unemployment benefit.

Nor do Esping-Andersen's overall scores categorise all continental CMEs as conservative and all Nordic CMEs as social-democratic. Austria, Belgium and the Netherlands are classified as social-democratic and Finland as conservative. Germany is the only continental CME with a conservative score. Scruggs and Allan (2006), analysing overall welfare systems, find Canada to be as conservative as France and Japan to be liberal, something they attribute to the displacement of Bismarkian institutions during US occupation. Korea, was not included in Esping-Andersen's study but Yang (2013) places it among the dualistic conservative regimes of continental Europe. For Allan and Scruggs, the concept of welfare regimes itself is undermined by the absence of 'elective affinity' between programmes and as an alternative to the decommodification index they put forward a 'generosity index' but are unconvinced that it points to a welfare taxonomy. Danforth (2014) finds that Esping-Andersen's three worlds, which are derived from 1980 data, had lost utility even from 1990 when they were proposed. The liberal world, he argues, has split away from a merged social-democratic and conservative world, both of which have been succeeded by European, Anglo-American and Antipodean worlds. Esping-Andersen's welfare regime types may, therefore, be a poor basis for case selection and even if the index scores for unemployment alone are used, they warrant up-to-date validation which includes Korea.

4.2 Indicators of unemployment benefit regime

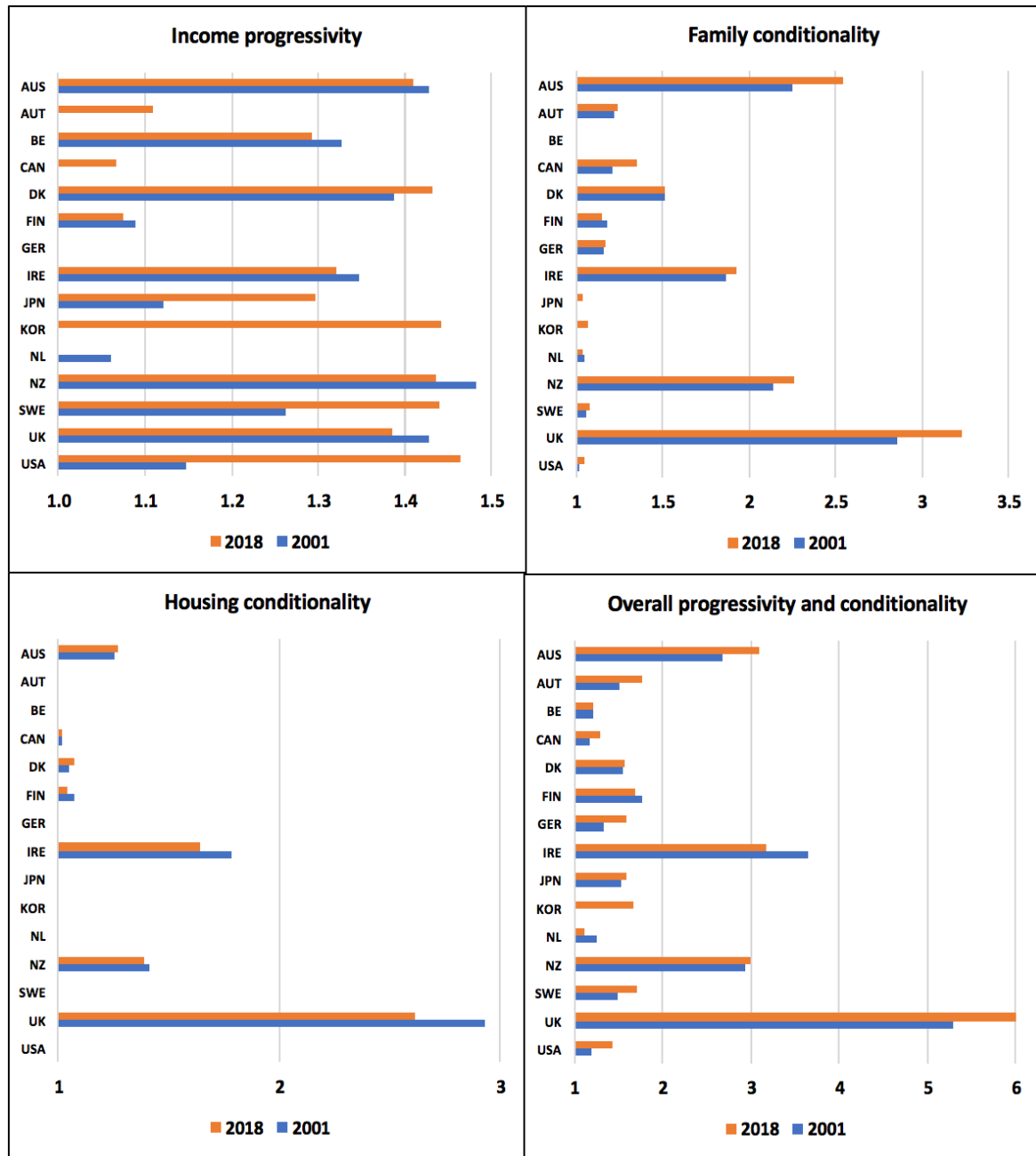
Replacement rates at different earnings and which include housing and family elements (data excluded from the primary analysis in chapter 3) can highlight characteristics of unemployment benefit regimes which are relevant to this comparative study. Esping-Andersen identifies liberal regimes with minimal transfers, means-testing and social stratification between those who rely on the state and those who make private provision. But the targeting of benefits means that liberal regimes are progressive (i.e. redistributive). Social-democratic regimes, based on the principle of generous universal benefits, are also inherently progressive while conservative regimes are the least progressive because welfare rights generally attach to previous employment earnings and, in some cases, vary between occupational groups. The minimalist nature of liberal unemployment benefit should be evident in low basic replacement rates with the relative value of housing and family supplements providing a proxy for means-testing and social stratification. Aside from universal fixed child allowances, family supplements depend on circumstances while housing

supplements, in addition to being subject to needs assessment, also tend to cover rent and not the costs of home ownership which amounts to a form of private provision available to people who own housing equity and not to those who don't. Conservative regimes, which attach entitlements primarily to employment earnings, can be expected to offer high unconditional replacement rates together with minimal housing and family supplements. Replacement rates in purely conservative systems should not change significantly with earnings while in liberal systems, even low but flat-rate benefits will mean higher replacement rates at lower than at higher earnings. Measures of progressivity and conditionality should be most evident in liberal systems and least evident in conservative ones with social-democratic regimes occupying an intermediate position by combining relatively generous basic replacement rates with greater responsiveness to family composition and housing need.

The ratios in Figure 4 are indicative of income progressivity and the conditionality of family and housing supplements for 2001 and 2018 using OECD data. A comparison over the whole 1990 to 2018 period is not possible because Van Vliet and Caminada only cover 100% of average earnings and exclude housing supplements. The fourth and overall ratio shows the maximum differential which is between the NRR for a couple with two children receiving housing assistance at 67% of average earnings and a single person not receiving housing assistance at 100% of average earnings. An income progressivity ratio of 1 indicates that unemployment benefit is proportional to previous income and a higher ratio, that lower earners receive relatively more benefit. Similarly, ratios of 1 for family and housing conditionality imply that these supplements are not paid and that income replacement rates are the same irrespective of housing and family circumstances. OECD data from 2018 included NRRs at 150% of average earnings, which would have provided a much clearer picture of the income-related incentive structure of unemployment benefit, but these data are unavailable at the time of writing.⁷

⁷ Data fields and methodology of OECD statistics are subject to revisions which are incorporated into annual releases with no archive of previous releases being available. For this reason, the data extracts used for this study are appended. The only time series extracted prior to the 2019 release were for a one-earner couple with two children so it is not possible to assess income progressivity for a single person with the more revealing 2018 data. Nor are data from different years reliably comparable (see discussion in Chapter 3).

Figure 4. Progressivity and conditionality



Source: Derived from OECD Benefits and Wages, 2019, Appendices 1a – 1e

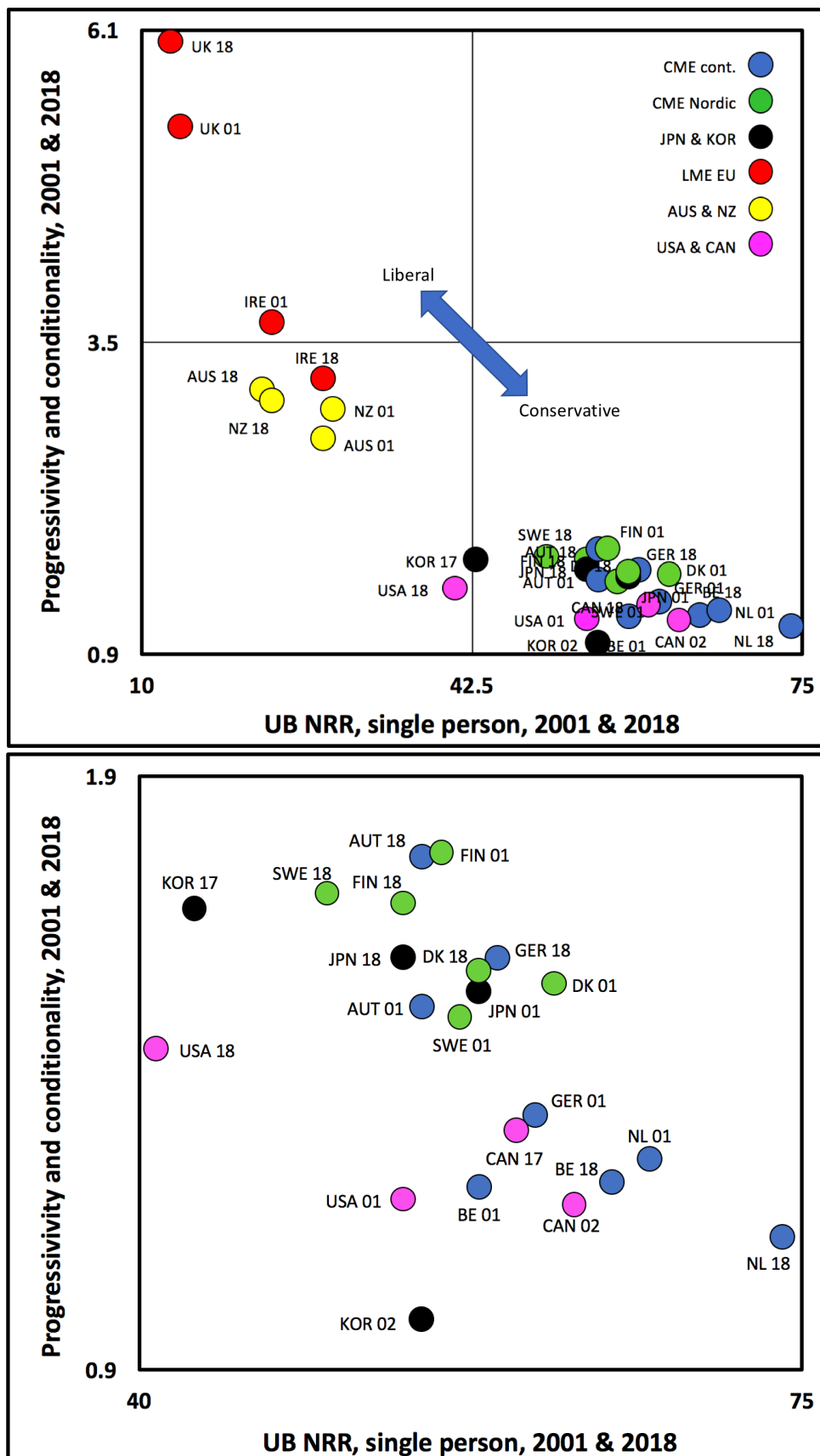
1. Income progressivity is the ratio of NRR at 67% of average earnings to the NRR at 100% of average earnings, both for a single person excluding housing supplements.
2. Family conditionality is the ratio of NRR for a one-earner couple with two children to the NRR for a single person, both at 100% of average earnings and excluding housing supplements.
3. Housing conditionality is the ratio of NRR including housing for a single person to the NRR for a single person excluding housing supplements both at 100% of average earnings.
4. Overall progressivity and conditionality is the ratio of NRR for one-earner couple with two children at 67% of average earnings including housing supplements to the NRR for a single person at 100% of average earnings excluding housing supplements. It captures the full value of housing supplements for a one-earner couple with two children which is not reflected in the other ratios.
5. The OECD does not include NRRs for Canada and Korea for 2001 and 2018 so 2002 and 2017 rates are used instead.

With some exceptions, income progressivity is most obvious in the Anglo-Saxon countries and Nordic CMEs and lowest in continental CMEs. In line with Esping-Andersen, Belgium shows income progressivity comparable to the other social-democratic regimes in his schema although the Netherlands does not. Again, following Esping-Andersen, Finland is closer to Germany than Denmark and Sweden. Canada, in line with Esping-Andersen's high decommodification score for unemployment benefit, exhibits no income progressivity in 2001 and a minimal degree in 2017. In the USA, Japan, Korea and Sweden, income progressivity has increased markedly, implying a shift to more liberal systems of unemployment benefit. The ratios for family and housing have remained relatively stable and are significant mostly in Australia, Ireland, New Zealand and, especially, the UK. Within the Anglosphere, and in line with Esping-Andersen and Scruggs and Allan, the US and Canada appear, for unemployment benefit at least, as conservative outliers with Australia, Ireland and New Zealand forming an intermediate group.

Overlaying these progressivity and conditionality ratios with the generosity of basic unemployment benefit gives a clearer demarcation of regime types, see Figures 5a and 5b (the tight cluster of conservative countries in Figure 5a is shown in expanded view in Figure 5b.) The top-left corner represents a liberal extreme and the bottom-right its conservative counterpart. It is clear the UK is a liberal outlier which has become more liberal between 2001 and 2018. In 2018 the UK's NRR for a single person at 100% of average earnings and excluding housing supplements was only 13% compared to 74% in the Netherlands. But for a one-earner couple at 67% of average earnings and including housing supplements the UK rate rises to 78% and in the Netherlands, only to 83%. The UK can be relatively generous but not unconditionally.

Ireland, Australia and New Zealand form a distinct group but one in which Ireland has become more conservative whilst Australia and New Zealand have become more liberal. Within the Anglosphere, the US and Canada appear, for unemployment benefit at least, as conservative outliers, a position from which the US has shifted somewhat and Canada only marginally. Canada occupies a position among the more conservative continental CMEs consistent with both Esping-Andersen and Scruggs and Allan.

Figure 5a and 5b. Liberalism and conservatism in unemployment benefit

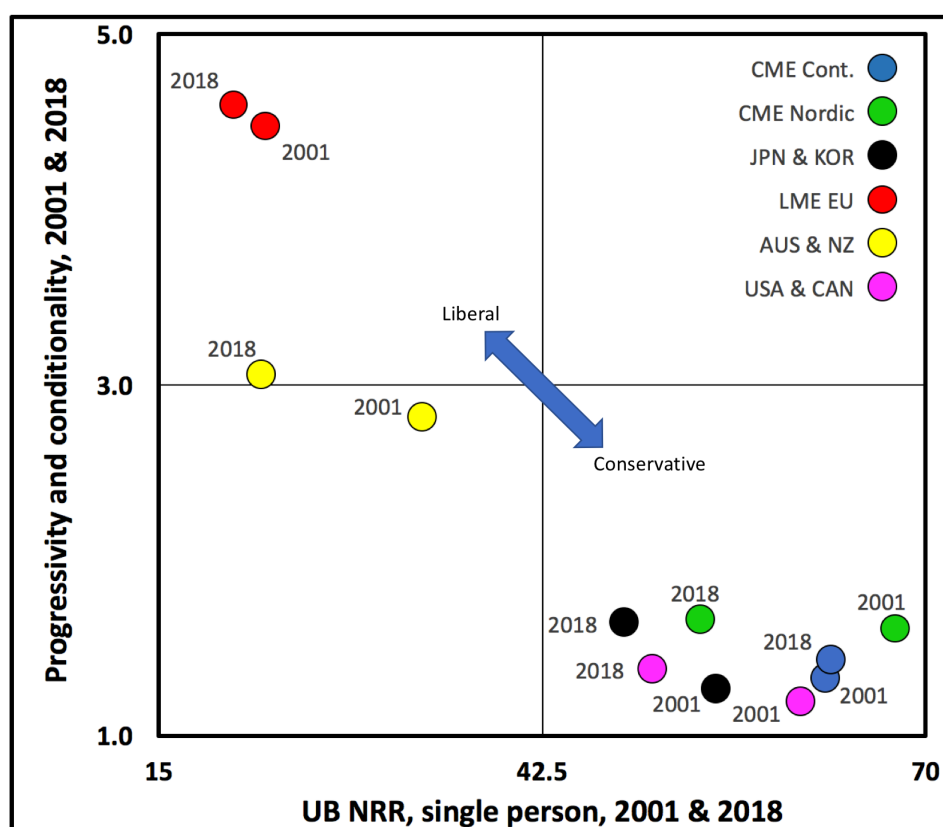


Source: OECD and author's calculations
Data for Canada and Korea are 2002 and 2017

At the end of the study period, the most conservative countries were the Netherlands, Belgium and Canada. Austria and Germany have diverged from Belgium and the Netherlands among continental CMEs while Sweden is a liberalising outlier among the Nordic countries. The liberal shift in Korea has been much more marked than in Japan.

In the context of general stability, liberal shifts occur more often than conservative ones which are evident, across both axes, in only the Netherlands and Ireland. Nordic CMEs do not have dramatically different unemployment benefit systems to continental CMEs although a bifurcation is discernible subject to two anomalies. Austria is closer to the Nordic group and Germany has moved towards it between 2001 and 2018. Figure 6 shows the average positions for VoC groups.

Figure 6. Average positions of VoC and welfare regime groups



Source: average positions from Figure 5a.

4.3 Country group analysis

Average positions and shifts obscure sometimes divergent regime profiles and trends including, as noted above, the simultaneous liberal and conservative shifts in the UK and

Ireland which is, in any case, closer to Australia and New Zealand than to the UK. It is not possible to identify any significant liberalising Europeanisation effects. On the contrary, the largest liberalisations have been outside the EU in both LMEs and CMEs while continental CMEs, in particular, have not shifted from the bottom right corner which represents the most conservative position. Japan and Korea, at least as a group, by contrast, have seen more marked liberalisation.

4.4 Implications

Three points from Figures 5 and 6 have implications for the study. Firstly, Korea and Japan appear to be reasonable comparators for both Nordic and continental CMEs which, on the face of it, undermines the use of LME controls for Nordic CMEs. But given these matrix positions do not take account of wider factors that shape regime characteristics, including benefit duration and qualification rules, a separate control for Nordic regimes may still be warranted. Secondly, Australia and New Zealand make better non-EU comparative cases for the UK and Ireland than the US and Canada whereas Esping-Andersen's indices suggest the reverse. Thirdly, the broad picture is one of regime stability, at least between 2001 and 2018.

5. Evaluation of hypotheses

This chapter sets out four hypotheses against which to assess the research question in light of the theoretical context, methodology, data and welfare regime chapters. It has been argued that changes to unemployment benefit and employment protection may undermine labour market complementarity in CMEs; that the likelihood of any such changes being Europeanisation effects should be tested using comparisons with non-EU CMEs; that Nordic CMEs may respond differently from continental CMEs to pressures stemming from internationalisation; that EU and non-EU LMEs provide a control with which to differentiate between Europeanisation and other pressures in Nordic CMEs; and that dualisation and flexicurity have been cited as ways in which institutional complementarity has been eroded. The following hypotheses follow from these propositions:

5.1 Four hypotheses for evaluating the research question

- i) *Extent of changes hypothesis.* Changes to the indicators in Nordic CMEs should be greater than changes in continental CMEs which in turn should be greater than in non-EU CME controls. And this hypothesis should be supported by a parallel change in EU LMEs of greater extent than in non-EU LMEs.
- ii) *End-point hypothesis.* The end-point positions of either category of EU CME should not retain the characteristic CME labour market configurations to a greater extent than non-EU controls, even if they have moved further. Otherwise, general and global convergence pressures become a more plausible explanation.
- iii) *Dualisation hypothesis.* Labour market dualisation is a possible response to the pressures of internationalisation including European integration and may undermine incentives even for permanent employees. As Hassel notes of Germany, even in large firms where permanent employment is increasingly concentrated, employment security is “undermined by the increasing role of fringe employment” (2007:276). Following Thelen (2014), greater dualisation can be expected in continental than Nordic countries because it is a mechanism which tends to preserve corporatist status rights in line with dominant domestic interests. But if that pressure is Europeanisation, as opposed to

broader globalisation, then dualisation should, above all, be more evident in EU CMEs than non-EU CMEs.

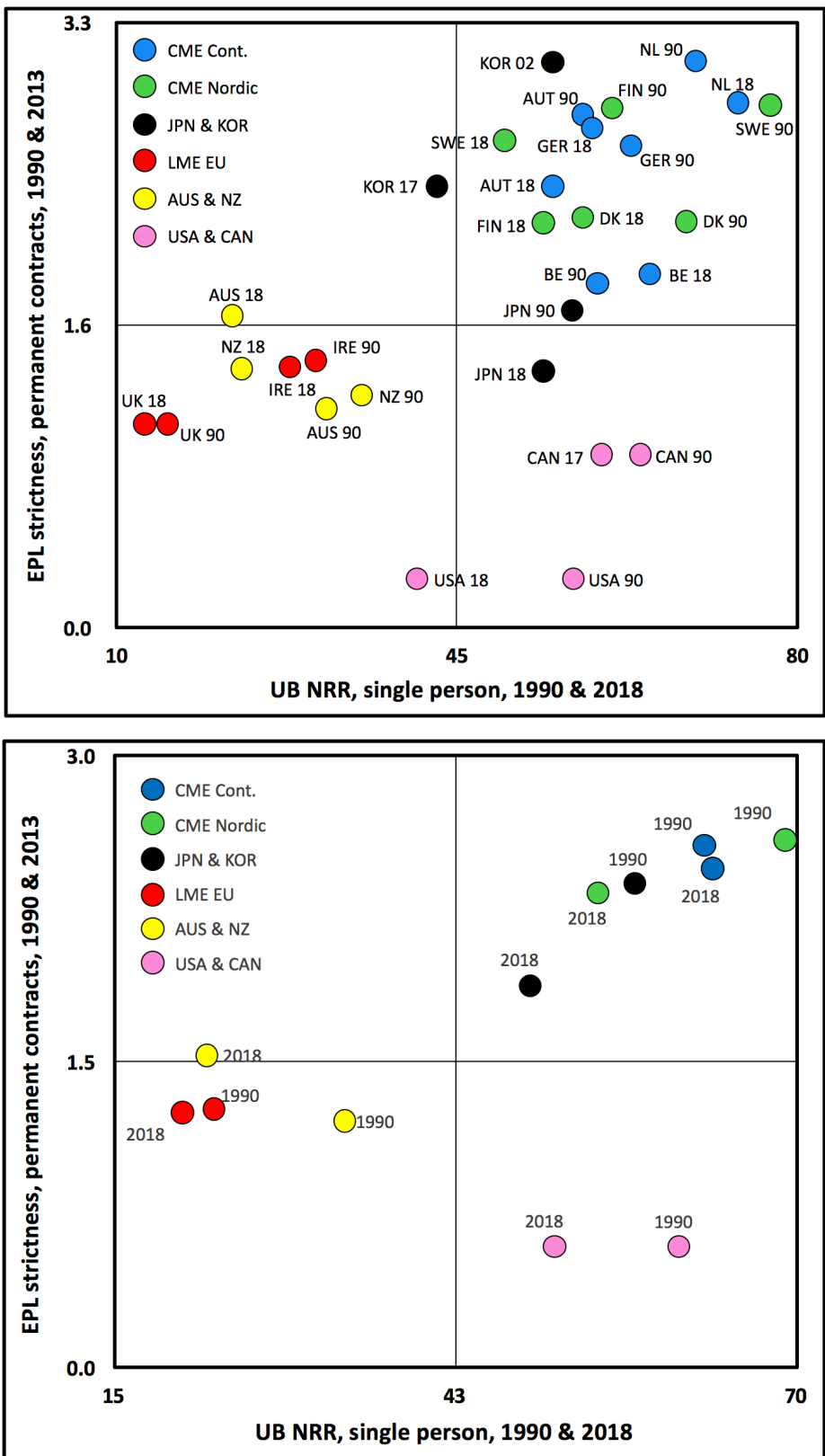
- iv) *Asymmetric/flexicurity hypothesis*. From a VoC perspective, a loss of comparative advantage could be inferred from asymmetric changes to either unemployment or employment protection such that one is no longer complementary to the other, leading to impaired economic performance as, Molina and Rhodes (2007) argue, has been the case in Italy and Spain with high employment protection and low unemployment protection. The opposite configuration, 'flexicurity', generous unemployment benefit with low employment protection, could stem from asymmetric reform. As with dualisation, Thelen's argument is that flexicurity represents an erosion of CME coherence which has emerged in Nordic countries because it supports high employment and hence the fiscal sustainability of universal welfare systems which have the support of dominant social groups. If asymmetric changes are driven by European integration then they should be more evident in EU than non-EU CMEs.

Given the chronology of key stages of EU integration, the time-lag for Europeanisation pressures to be felt, the inertia of political processes and the path-dependence of labour market institutions, significant policy shifts are most plausibly explicable as Europeanisation effects if they occurred in the second half of the 28-year period under review. An overriding criterion for each the above four hypotheses to support a Europeanisation hypothesis, therefore, is that it was met after 2000 to 2005.

5.2 Evaluation

The above hypotheses are tested by reference to matrices of unemployment benefit in 1990 and 2018 and employment protection legislation for permanent contracts in 1990 and 2013 (Figures 7 and 8). Evaluation also relies on the continuous time series (Figures 2 and 3) including for the implications of changes to temporary employment regulation which are discussed in the context of dualisation. Theoretically, the ideal-type CME should be positioned in the top right hand corner of Figures 7 and 8, representing the complementarity of generous unemployment benefit with strong employment protection, and the ideal-type LME should be in the bottom left with low scores for both indicators. Australia and New Zealand have been identified as the best controls for EU LMEs but the USA and Canada are included in the

Figure 7, countries (top), Figure 8, country groups (bottom). Permanent EPL and NRR.



Source: OECD (2019) and Van Vliet and Caminada (2012) with author's adjustments. Appendices 1a, 2b, 3a.
Note: Canada, NRRs are 1990 and 2017. Korea, NRRs are 2002 and 2017.

plots because they contextualise the positions of other countries and are relevant to the judgements that follow.

i) Extent of changes

The extent hypothesis is not proven. Taken together EU CMEs have shifted less than Japan and Korea. The Nordic CME group, however, has shifted position on the matrix while the continental group has remained static and, arguably, the Nordic group has also shifted even more than Japan and Korea. But the shift is disproportionately caused by a steep cut in Sweden's NRR where factors unrelated to EU integration may have driven change. EU LMEs, with welfare systems theoretically subject to the same pressures as Nordic systems, have not seen greater shifts than non-EU LMEs. So whilst the Nordic group has undergone a greater shift than the continental CMEs, it is difficult to infer that EU membership is a causal factor.

Neither does the timing of reforms in the Nordic countries convincingly support the extent of change hypothesis even though the most significant changes to benefit generosity in the EU CMEs were in Sweden (-33%), Denmark (-15%) and Finland (-12%). In Sweden, the change has occurred steadily over the 1990-2018 period albeit with some fluctuations in the trend and possibly with even higher starting and lower endpoints (see discussion in Chapter 3). Sweden opened its labour market to free movement of workers from the A8 eastern accession countries in 2004, together with the UK and Ireland, so a causal link to changes in benefit levels from enlargement cannot be ruled out. In Denmark, however, the reduction in benefit generosity occurred largely before 2004 and, in any event, enlargement could not have impacted the Danish labour market until the second half of 2009 when the country lifted the restrictions allowed under the 2003 Accession Treaty. The time series for Finland's NRR declined steadily from 1990 until around 2007 before increasing sharply from 2014 and then falling back again, an unlikely discontinuity which potentially reflects no more than the 'noise' of methodological changes by the OECD. Given that Finland lifted the A8 free movement restriction in 2006, the recorded decline up to 2007 cannot have been associated with migration from eastern European member states. Looking through a possibly erroneous spike to 71% in 2014, Finland's NRR increased from 51% in 2009 to 54% in 2018, a resilience coinciding with a period during which free movement from A8 countries could theoretically

have affected policy. In all EU countries, changes to EPLP have been small or occurred either before 2000 or before 2004 when the A8 countries joined.

ii) Endpoints

The endpoint hypothesis for Europeanisation is not proven. The endpoints of both continental and Nordic CMEs reflect the labour market indicators associated with coordination to a notably greater extent than the non-EU CMEs and the continental group, to a greater extent than the Nordic group. These country-group positions mask variations which should be acknowledged. Korea's endpoint, for example, mirrors Belgium's with the former having higher EPL and the latter, a higher NRR. But neither can be said to retain ideal-type CME indicators more than the other. The non-EU CME endpoint disguises a similar reversal, being the average of Japan, a low outlier for EPL, and Korea, a low outlier for NRR. But country group positions are nonetheless valid insofar as they represent average institutional equilibria which smooth out national particularities and anomalies, as discussed in Chapter 2.

iii) Dualisation

The dualisation hypothesis is not proven. Figure 3 shows that dualisation has emerged most clearly in Germany and Sweden and has been consolidated in the Netherlands while it is not evident in Japan and Korea. But this does not support a Europeanisation hypothesis because significant deregulation of temporary employment in EU-CMEs took place before 2000 which, given the likely time-lags, implies policy responses to phenomena that pre-date the Single Market, eastern enlargement, EMU and the Eurozone crisis. Germany and Sweden, which Chapter 2 identified as potentially anomalous cases, stand out for a stark reversal of permanent and temporary EPL indicators commencing in the 1990s while in Denmark, the same reversal occurred abruptly in 1991 and an equally abrupt and significant cut to EPLT in Belgium occurred in 1998. In Sweden, four-fifths of the deregulation occurred before 1997 and a fifth occurred in 2008. In Germany half the EPLT deregulation occurred between 1995 and 1998 and half in 2003 as part of the Hartz I & II reforms. These reforms, moreover, broadly coincided with parallel liberalisations in Korea and Japan which, again, points more to the pressures of globalisation or to particularly domestic factors than to those arising from EU integration. While the combination of relatively high EPLP with deregulated EPLT, logically

associated with dualisation, occurs only among EU CMEs, it is not a novel development having pertained in Austria, Finland and, most clearly, the Netherlands from at least 1990. Its striking emergence in Germany and Sweden might be more explicable as the unravelling of special cases of coordination under the pressures of European integration had it occurred later.

iv) Asymmetric shifts and flexicurity

Asymmetric shifts including towards flexicurity do not provide evidence of Europeanisation. The clearest example of a greater shift in one indicator than the other occurs in Sweden where a notable reduction in benefit generosity is matched by a relatively marginal shift in permanent EPL strictness. Denmark follows the same pattern to a lesser extent. In any case, Figure 2 shows that around half the NRR cut in Sweden and all of it in Denmark occurred before around 2005. Counter to Thelen (2014), these are shifts away from flexicurity because they entail benefit cuts and stable EPL and not the other way round. Canada and, to a lesser extent, the US provide better examples of flexicurity and within the EU, Belgium comes closest to the definition. Even there, an increase in benefit generosity occurred in a context of stable EPLP. Reductions to EPLT in combination with relatively generous unemployment benefit are discussed above in the context of dualisation.

6. Discussion

The data show shifts in labour market indicators which could be construed as a loss of institutional coherence for EU CMEs and therefore as a loss of comparative advantage. Unemployment protection has been reduced in Nordic CMEs while employment protection has been reduced in both continental and Nordic CMEs although in large part through the deregulation of temporary employment and, in some countries, the emergence of a dualised labour market. Countries associated with social-democratic unemployment benefit regimes, broadly, the Nordic CMEs, appear to have undergone greater transformations than those associated with conservative regimes, generally, the continental CMEs.

But comparison with non-EU CMEs does not support the hypothesis that these developments can be attributed to EU integration for five reasons. First, because, with the exception of a degree of dualisation most evident in the EU, EU CMEs have undergone more limited erosion of the labour market institutions associated with non-market coordination than have non-EU CMEs. The relative overall stability of EU CMEs masks greater shifts in Nordic countries but these are more plausibly attributable to pressures other than EU membership. Second, notwithstanding the putative pressures of EU integration or, either alternatively or additionally, of globalisation and liberalisation, labour market institutions in EU CMEs remain closest to the ideal-type. Nordic CMEs as a group have shifted away from ideal-type positions while the continental CME group has not but they also maintain the ideal-type to a greater extent than non-EU CMEs. Third, dualisation, which potentially confounds these conclusions, was set in train through deregulation of temporary employment before Europeanisation effects could realistically take hold. Fourth, the loss of VoC complementarity through asymmetric reforms including towards flexicurity, where it is evident, generally took place too early to be associated with EU membership. Fifth, and finally, the unemployment benefit regime analysis in Chapter 4 shows that EU CMEs maintained broadly stable conservative unemployment benefit regimes between 2001 and 2018 with no compelling indication of the greater liberalisation in EU than non-EU CMEs that would support a Europeanisation hypothesis. The metrics adopted in Chapter 4 show the Nordic CME group has liberalised to a small degree while the continental CME group has not. But these shifts are mirrored in non-EU CMEs, EU LMEs and non-EU LMEs, albeit with some variance from the averages, and this

points to wider pressures than EU integration and, arguably, confirms the greater susceptibility of Nordic welfare regimes to such pressures.

Against the research hypothesis, there are reasonable arguments that the EU may instead act as a bulwark against, or haven from, the pressures of liberalisation stemming from globalisation. If the EU is an agent of intensified internal competition which might undermine national institutions, it also shelters producers from unfettered global competition through tariff and non-tariff barriers in sectors ranging from agriculture and food products to cars and car parts. Its economic weight confers greater power to set the terms of trade with the rest of the world than even the largest member states could hope to wield alone. And its rank as a regulatory superpower with the US and China means that it competes to set the technical standards on which strategic advantage in new technologies and sectors can hinge and it can do so to the advantage of firms in the EU (Beattie, 2019). EU law maintains relatively high labour standards even if conditions have been undermined by some CJEU rulings including *Viking* and *Laval*. And while the CJEU has not stood in the way of labour market dualisation, it does ensure equal treatment of permanent and temporary workers (de la Porte and Emmenegger, 2017).

Chapter 1 identifies two critiques in the literature that can be tested on the datasets. To the extent they fail to be substantiated, the VoC lens through which this study approaches a question of Europeanisation may be vindicated. Firstly, the transformation from co-ordination to liberalism in the Nordic countries and Netherlands which Schneider and Paunescu (2012) identify between 1990 and 2005 is not corroborated by the two indicators tracked in this study even though it spans 13 more years. Among continental CMEs, and in the context of high or stable permanent EPL, there have in fact been increases in replacement rates in the Netherlands and Belgium. Nor are the Nordic reforms so extensive that they amount to a transition to liberalism comparable to any LME. And as a group, the Nordic countries remain in a more conservative position than the average for Korea and Japan, an average which also remains clearly distinct from the LME cases included.

Among the indicators tracked by Schneider and Paunescu, the most significant changes that drove category shifts were to employment protection and the ratio of university education to

occupational training among young cohorts. Figure 3 shows that permanent employment protection has been broadly stable in all four countries while temporary employment regulation has been relatively low and stable in Denmark, Finland, and the Netherlands since at least 1990 or very shortly afterwards in the case of Denmark. Only in Sweden has temporary employment regulation been dramatically reduced after that time, and then mostly by 1997. To the extent the transformation to LME in these countries reflects changes to employment protection, the OECD EPL data suggest a transformation which predates the most consequential phases of both globalisation and European integration and which occurred before publication of Hall and Soskice's *Varieties of Capitalism* in 2001 which first proposed the VoC categories. Nor is the shift to university education, the second pillar of Schneider and Paunescu's argument, uncontested as an indicator of a transformation to LME. Thelen (2019) argues that in Germany, Sweden and the Netherlands, increasing rates of university education reflect a transition towards the knowledge economy. In the Netherlands, for example, she links the increasing emphasis on university education to a structural shift from manufacturing to newly dominant finance and high-value services, sectors usually associated with LMEs, even as the economy retains a high degree of coordination. That a successful combination of coordination with knowledge-intensive services may expose the limits of VoC as a theoretical framework is a difficulty Thelen highlights. But on balance the basis of Schneider and Paunescu's observation is either weakly supported in the data used for this study or capable of alternative interpretations.

The second critique of VoC that can be tested on the data is the emergence of both Nordic flexicurity and continental dualism which Thelen (2014) posits as new phenomena that call into question the theoretically foundational stability of VoC types. As argued above, this study shows that, if anything, the Nordic experience has been away from flexicurity, a term which more accurately describes the labour markets of the USA and Canada. Equally, the EPL data suggest that labour market dualism is neither a new nor an exclusively continental phenomenon even if appears to be an exclusively European one, albeit not one linked to EU integration. That neither critique is well supported in the data provides an additional point of empirical validation for VoC theory and is consistent with the principal finding that labour market institutions in EU CMEs have maintained complementarity with coordination across other domains of the economy.

To the extent the conjectured instability wrought by unravelling social bargains in CMEs was unfounded, barriers to adjustment in MMEs and the implications for domestic social bargains may be more real. Hall's (2014) argument that MMEs were unable to adjust to the convergence pressures of monetary union is the logical flip-side of the resilience of CMEs. The Eurozone crisis was staunches with a range of measures including potentially unsustainable monetary intervention but the loss of competitiveness which MMEs have been unable to offset with devaluation has long-term fiscal and political implications which remain unresolved and which appear most acute in Italy. The EU's historically unprecedented combination of supra-national rights and national social bargains may threaten its long-term stability unless supported by institutions that give substance to Caporaso and Tarrow's 'supranational embedded liberal compromises'. An obvious starting point would be a common unemployment benefit regime but the opposition to one is formidable precisely because it threatens the national embedded compromises it seeks to displace.

Conclusion

This dissertation sought to identify possible Europeanisation effects in two key labour market institutions in EU countries which could potentially undermine the coherence of the coordination regimes described by VoC. It focused on CMEs where, it was argued, the hypothesised impacts would be felt and where they might undermine support for EU integration and present a challenge to the stability of the EU. The postulated effects were not found in either unemployment benefit or employment protection or in the complementarity of one to the other, which both counters the main research hypothesis and attests to the persistence of national models that VoC predicts.

Limitations and imperfections in the data and the methodology on which these conclusions rely should be acknowledged. The study necessarily hinges on a comparison of seven EU CMEs with only Japan and Korea, in which significant cultural and structural differences pertain, while, in addition, unemployment benefit data for Korea cover only 2002 to 2017. The choice of a 1990 start-point rather than 2001 is vindicated by the timing of key reforms but the composite time series used is potentially subject to errors in adjusting for the difference between average wages and average production wages. The calculation of net replacement rates is, in any case, complex, as discussed in Chapter 3, and some recorded shifts may stem from methodological noise rather than actual policy changes. As Wenzelburger et al. caution, welfare research should be “data-conscious” and “humble in its claims” (2013:1229). The exclusive focus on a single net replacement rate is a simplification, albeit, it is argued, a justified one. Meanwhile, it is possible that recent and material changes to employment protection are not captured by the OECD EPL indicators which only cover the years to 2013.

The presentation of data in graphical formats clearly highlights the structural bifurcations and shifts at issue and it follows Lijphart’s advice that comparative studies should aim for parsimony in the number of variables even if they have to settle for “mid-range propositions” (1971:690). But it is largely restricted to bivariate analysis and further research could usefully encompass a wider set of factors including indicators which specify unemployment benefit regimes with more precision. A statistical multi-variate analysis could take account of changes to active labour market policies, waiting periods, benefit duration or duration before lower

skilled jobs must be taken, all of which vary between countries and shape incentives in the labour market. Finally, this research agenda could extend to a broader set of VoC coherence indicators by evaluating Europeanisation effects on the complementarity of a wider set of institutions within and across other domains of the economy.

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Appendices

APPENDIX 1a. OECD data extract 1. Source <https://stats.oecd.org/Index.aspx?DataSetCode=NRR>

Family type				Single person without children														
Unemployment duration (months)				2														
Previous in-work earnings				Average wage														
Include housing benefits				No														
Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	28	28	27	26	26	26	25	24	24	23	23	22	22	23	23	23	22	22
Austria	55	55	64	64	63	62	62	61	60	60	55	55	55	55	55	55	55	55
Belgium	58	60	60	58	58	57	58	57	65	64	63	65	67	66	66	67	66	65
Canada	-	63	63	64	63	62	61	61	63	62	62	62	62	62	61	61	60	-
Denmark	62	61	61	60	60	60	59	58	57	58	58	58	58	59	59	59	59	58
Finland	56	58	57	55	54	53	51	51	51	53	53	57	57	71	65	65	55	54
Germany	61	61	61	61	61	62	61	60	61	60	59	59	59	59	59	59	59	59
Ireland	23	23	24	24	26	27	29	29	30	29	30	30	30	30	30	29	29	28
Japan	58	60	54	54	54	53	54	54	55	55	54	52	56	55	54	53	53	54
Korea	-	55	55	52	48	53	51	49	47	44	45	43	41	40	42	41	43	-
Netherlands	67	67	66	66	65	71	75	74	74	75	75	75	75	75	75	74	74	74
New Zealand	29	29	29	28	28	28	28	28	26	26	26	25	25	25	24	23	23	23
Sweden	65	67	66	64	62	61	53	50	48	47	46	45	44	42	42	53	52	50
United Kingdom	14	14	14	13	13	13	13	13	13	13	14	14	14	14	14	13	13	13
United States	54	52	60	59	58	56	53	53	50	49	47	46	46	45	45	44	43	41
Data extracted on 17 Jun 2019 11:38 UTC (GMT) from <u>OECD.Stat</u>																		

APPENDIX 1b

Family type				Single person without children														
Unemployment duration (months)				2														
Previous in-work earnings				67% of the Average Wage														
Include housing benefits				No														
Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	40	39	38	38	37	36	36	34	33	32	31	31	31	31	32	32	31	31
Austria	55	55	78	78	77	76	76	74	73	73	65	65	65	64	63	62	62	61
Belgium	77	80	80	77	77	77	77	77	88	86	85	87	90	89	88	87	87	84
Canada	-	63	63	64	64	64	63	63	64	64	64	64	64	64	64	64	64	-
Denmark	86	86	86	86	86	85	84	82	83	84	83	84	84	84	84	85	85	83
Finland	61	63	62	61	60	59	58	57	57	57	57	59	59	71	67	66	58	58
Germany	61	61	61	61	61	62	60	60	60	60	59	59	59	59	59	59	59	59
Ireland	31	32	32	33	34	37	39	40	42	40	40	40	40	39	39	38	38	37
Japan	65	68	66	66	66	66	67	67	67	68	68	67	70	69	69	68	68	70
Korea	-	54	54	54	54	55	55	55	55	55	55	55	56	56	57	59	62	-
Netherlands	71	71	70	70	70	73	75	76	76	76	76	76	76	74	74	71	71	72
New Zealand	43	42	42	41	41	41	40	40	38	38	37	36	35	35	34	33	33	33
Sweden	82	82	82	82	82	82	76	72	69	68	66	64	63	61	60	74	73	72
United Kingdom	20	20	20	19	19	19	18	18	19	19	20	20	20	20	20	19	18	18
United States	62	62	62	62	62	62	62	63	61	61	61	61	62	62	62	62	62	60

Data extracted on 17 Jun 2019 11:44 UTC (GMT) from [OECD.Stat](#)

APPENDIX 1c

Family type				Single person without children														
Unemployment duration (months)				2														
Previous in-work earnings				Average Wage														
Include housing benefits				Yes														
Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	35	34	34	33	32	32	31	30	30	29	28	28	28	28	28	28	28	28
Austria	55	55	64	64	63	62	62	61	60	60	55	55	55	55	55	55	55	55
Belgium	58	60	60	58	58	57	58	57	65	64	63	65	67	66	66	67	66	65
Canada	-	64	64	64	64	63	61	62	64	63	63	63	63	63	62	62	61	-
Denmark	65	64	65	63	64	63	62	62	62	62	62	63	62	62	62	62	62	62
Finland	60	63	61	55	54	53	51	51	52	53	54	57	57	71	65	65	56	56
Germany	61	61	61	61	61	62	61	60	61	60	59	59	59	59	59	59	59	59
Ireland	41	42	42	43	43	45	47	47	45	44	44	42	44	44	44	48	47	46
Japan	58	60	54	54	54	53	54	54	55	55	54	52	56	55	54	53	53	54
Korea	-	55	55	52	48	53	51	49	47	44	45	43	41	40	42	41	43	-
Netherlands	67	67	66	66	65	71	75	74	74	75	75	75	75	75	75	74	74	74
New Zealand	41	40	40	39	39	39	38	38	35	35	34	33	33	32	32	31	30	32
Sweden	65	67	66	64	62	61	53	50	48	47	46	45	44	42	42	53	52	50
United Kingdom	41	41	41	41	41	40	40	38	39	38	39	38	38	38	37	36	35	34
United States	54	52	60	59	58	56	53	53	50	49	47	46	46	45	45	44	43	41

Data extracted on 17 Jun 2019 11:40 UTC (GMT) from [OECD.Stat](#)

APPENDIX 1d

Family type				Couple with 2 children - partner is out of work														
Unemployment duration (months)				2														
Previous in-work earnings				Average wage														
Include housing benefits				No														
Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	63	62	61	62	61	61	59	57	57	56	55	55	55	55	55	56	56	56
Austria	67	67	80	80	78	77	76	76	73	75	73	73	72	71	70	69	68	68
Belgium	55	57	57	56	56	55	56	56	60	59	59	60	64	64	64	64	64	63
Canada	-	76	76	78	78	78	78	80	85	84	84	84	85	85	84	82	81	-
Denmark	94	94	94	93	93	93	91	90	91	92	91	92	92	88	88	88	89	88
Finland	66	67	66	65	63	62	60	59	59	62	61	65	65	77	72	71	63	62
Germany	71	71	71	71	71	71	70	70	70	70	70	70	69	69	69	69	69	69
Ireland	43	44	45	46	48	51	55	56	58	56	57	57	56	56	57	55	55	54
Japan	57	59	58	58	57	57	57	56	58	61	61	63	63	60	57	55	54	56
Korea	-	55	54	51	48	52	49	47	46	43	43	41	42	43	44	44	46	-
Netherlands	70	71	69	70	69	78	80	80	80	81	80	82	81	79	78	77	77	77
New Zealand	62	61	62	61	61	53	54	54	52	52	52	52	51	51	50	52	51	52
Sweden	69	71	70	67	66	65	58	55	53	52	51	49	48	47	46	56	55	54
United Kingdom	40	40	42	42	41	41	40	42	44	44	48	48	48	48	47	46	43	42
United States	55	54	58	57	57	55	52	53	53	52	51	50	50	48	48	47	46	43

Data extracted on 17 Jun 2019 11:48 UTC (GMT) from [OECD.Stat](#)

APPENDIX 1e

Family type				Couple with 2 children - partner is out of work														
Unemployment duration (months)				2														
Previous in-work earnings				67% of the Average wage														
Include housing benefits				Yes														
Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Australia	75	74	73	77	77	76	74	71	70	69	68	68	68	69	69	69	68	68
Austria	83	85	80	80	80	82	82	82	83	86	95	96	97	98	98	97	97	97
Belgium	70	72	72	71	71	70	71	71	76	75	75	76	82	81	81	81	81	79
Canada	-	74	73	74	75	73	72	74	77	77	77	77	78	78	81	78	78	-
Denmark	96	96	96	96	96	95	95	95	95	95	95	95	94	92	92	92	91	91
Finland	99	94	94	94	91	92	92	92	93	93	92	93	93	93	93	91	91	91
Germany	81	79	82	80	92	88	91	90	93	92	91	92	91	91	91	93	93	94
Ireland	84	86	86	86	89	89	94	96	95	93	91	89	89	90	90	89	89	89
Japan	89	89	89	89	89	89	89	89	89	90	90	90	90	87	87	86	86	86
Korea	-	54	54	54	54	54	54	54	54	54	55	55	57	57	68	70	72	-
Netherlands	84	85	86	85	85	89	89	84	84	85	85	85	84	84	85	83	83	83
New Zealand	85	85	86	85	82	71	72	72	71	71	70	69	69	68	68	69	69	69
Sweden	97	97	97	98	95	94	89	88	88	86	87	84	85	83	82	86	85	85
United Kingdom	74	74	76	77	76	76	76	77	77	78	79	78	78	78	78	79	78	78
United States	64	64	63	61	62	61	61	63	62	62	62	62	63	61	62	61	61	59

Data extracted on 17 Jun 2019 11:46 UTC (GMT) from [OECD.Stat](#)

APPENDIX 2a. Van Vliet and Caminada

Source: <https://www.universiteitleiden.nl/en/law/institute-for-tax-law-and-economics/economics/data-sets/unemployment-replacement-rates-dataset>

RRAPW: Net Unemployment Replacement Rate for an Average Production Worker, Single Person																				
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	0.301	0.310	0.322	0.309	0.299	0.298	0.309	0.300	0.289	0.287	0.276	0.274	0.260	0.253	0.252	0.250	0.247	0.235	0.228	0.225
Austria	0.580	0.580	0.580	0.580	0.580	0.570	0.570	0.565	0.570	0.560	0.560	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550
Belgium	0.639	0.642	0.630	0.630	0.640	0.650	0.653	0.655	0.647	0.639	0.629	0.624	0.656	0.643	0.631	0.606	0.597	0.589	0.582	0.589
Canada	0.656	0.660	0.664	0.628	0.622	0.636	0.639	0.636	0.633	0.629	0.632	0.633	0.624	0.613	0.600	0.584	0.572	0.575	0.571	0.586
Denmark	0.679	0.672	0.666	0.661	0.684	0.649	0.643	0.632	0.613	0.623	0.615	0.608	0.595	0.591	0.583	0.570	0.563	0.550	0.545	0.553
Finland	0.627	0.647	0.632	0.629	0.625	0.629	0.629	0.599	0.604	0.587	0.573	0.567	0.593	0.579	0.567	0.564	0.557	0.546	0.534	0.536
Germany	0.630	0.630	0.630	0.630	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600
Ireland	0.351	0.355	0.347	0.357	0.354	0.370	0.321	0.315	0.306	0.299	0.277	0.286	0.290	0.298	0.299	0.318	0.341	0.342	0.346	0.365
Japan	0.574	0.614	0.613	0.614	0.615	0.600	0.592	0.602	0.593	0.619	0.590	0.605	0.627	0.593	0.595	0.592	0.590	0.597	0.597	0.605
Netherlands	0.743	0.738	0.729	0.730	0.745	0.735	0.755	0.736	0.732	0.732	0.739	0.733	0.685	0.698	0.681	0.677	0.668	0.683	0.684	0.683
New Zealand	0.342	0.300	0.295	0.295	0.290	0.293	0.284	0.280	0.270	0.269	0.263	0.260	0.255	0.259	0.257	0.255	0.256	0.249	0.249	0.234
Sweden	0.852	0.875	0.863	0.898	0.809	0.797	0.754	0.719	0.714	0.706	0.678	0.716	0.779	0.761	0.743	0.724	0.706	0.657	0.622	0.598
United Kingdom	0.199	0.202	0.211	0.213	0.216	0.210	0.204	0.199	0.201	0.195	0.190	0.187	0.185	0.185	0.183	0.181	0.175	0.172	0.173	0.173
United States	0.580	0.580	0.580	0.580	0.579	0.579	0.578	0.579	0.579	0.579	0.578	0.572	0.584	0.585	0.585	0.583	0.582	0.583	0.572	0.572
RRAW: Net Unemployment Replacement Rate for an Average Worker, Single Person																				
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia											0.292	0.294	0.275	0.271	0.265	0.272	0.266	0.262	0.254	0.250
Austria											0.560	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550
Belgium											0.587	0.579	0.600	0.596	0.585	0.583	0.576	0.578	0.571	0.577
Canada											0.616	0.622	0.624	0.624	0.623	0.618	0.606	0.606	0.602	0.616
Denmark											0.623	0.609	0.601	0.601	0.595	0.599	0.593	0.581	0.574	0.570
Finland											0.556	0.556	0.575	0.562	0.548	0.537	0.531	0.514	0.508	0.508
Germany											0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600
Ireland											0.232	0.236	0.238	0.246	0.252	0.258	0.279	0.303	0.314	0.334
Japan											0.586	0.586	0.581	0.543	0.543	0.536	0.532	0.539	0.539	0.548
Netherlands											0.692	0.692	0.689	0.703	0.691	0.686	0.676	0.687	0.684	0.677
New Zealand											0.275	0.284	0.281	0.280	0.277	0.278	0.280	0.276	0.273	0.262
Sweden											0.599	0.601	0.649	0.638	0.615	0.601	0.589	0.529	0.503	0.481
United Kingdom											0.145	0.141	0.138	0.137	0.132	0.131	0.127	0.123	0.124	0.124
United States											0.569	0.570	0.582	0.582	0.582	0.581	0.582	0.582	0.565	0.569
Note: figures in red are estimates for cells where data are missing and are averages of adjacent cells for the country																				

APPENDIX 2b.

Year	NRR _{AW}	NRR _{APW}	NRR _{AW} - NRR _{APW}	Estimated unemployment net replacement rates, average wage basis										
	2000	2000	2000	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Australia	29.2	27.6	1.6	31.7	32.7	33.9	32.5	31.6	31.4	32.5	31.6	30.6	30.4	29.2
Austria	56.0	56.0	0.0	58.0	58.0	58.0	58.0	58.0	57.0	57.0	56.5	57.0	56.0	56.0
Belgium	58.7	62.9	-4.2	59.6	59.9	58.7	58.8	59.8	60.8	61.0	61.2	60.4	59.6	58.7
Canada	61.6	63.2	-1.6	64.0	64.4	64.8	61.2	60.5	62.0	62.2	62.0	61.7	61.2	61.6
Denmark	62.3	61.5	0.8	68.6	67.9	67.3	66.9	69.1	65.7	65.0	63.9	62.1	63.0	62.3
Finland	55.6	57.3	-1.7	61.1	63.1	61.6	61.2	60.9	61.3	61.3	58.3	58.8	57.1	55.6
Germany	60.0	60.0	0.0	63.0	63.0	63.0	63.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0
Ireland	23.2	27.7	-4.5	30.6	31.0	30.3	31.2	30.9	32.5	27.6	27.0	26.1	25.4	23.2
Japan	58.6	59.0	-0.4	57.0	61.0	60.9	61.0	61.1	59.5	58.8	59.7	58.9	61.5	58.6
Korea														
Netherlands	69.2	73.9	-4.7	69.6	69.1	68.2	68.3	69.9	68.9	70.9	68.9	68.5	68.5	69.2
New Zealand	27.5	26.3	1.2	35.4	31.2	30.7	30.7	30.2	30.5	29.6	29.2	28.1	28.1	27.5
Sweden	59.9	67.8	-7.9	77.3	79.6	78.4	81.9	73.1	71.9	67.6	64.1	63.5	62.7	59.9
United Kingdom	14.5	19.0	-4.5	15.4	15.7	16.6	16.8	17.0	16.4	15.8	15.3	15.5	14.9	14.5
United States	56.9	57.8	-0.9	57.1	57.1	57.1	57.1	57.0	57.0	56.9	57.0	57.0	57.0	56.9

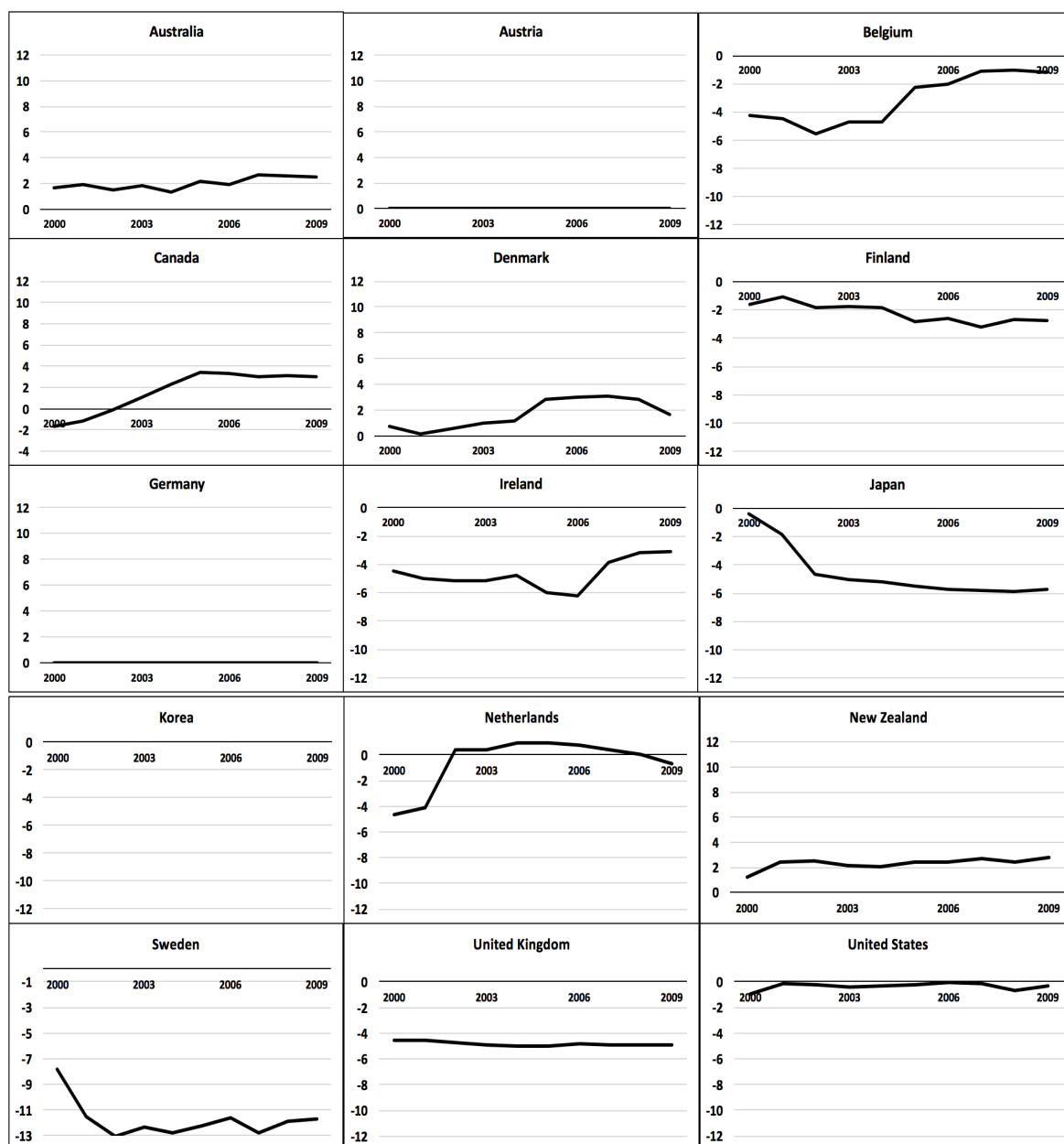
Derived from Van Vliet and Caminada, 2000 actual, decimal to percentage point conversion

APPENDIX 2c. Trends in NRR_{AW} - NRR_{APW}

Year	NRR_{AW} - NRR_{APW}									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Australia	1.6	1.9	1.5	1.8	1.3	2.2	1.9	2.7	2.6	2.5
Austria	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Belgium	-4.2	-4.5	-5.5	-4.7	-4.7	-2.2	-2.1	-1.1	-1.0	-1.2
Canada	-1.6	-1.1	-0.1	1.1	2.3	3.5	3.4	3.1	3.1	3.0
Denmark	0.8	0.2	0.6	1.0	1.2	2.9	3.0	3.1	2.8	1.7
Finland	-1.6	-1.1	-1.8	-1.8	-1.8	-2.8	-2.6	-3.2	-2.7	-2.8
Germany	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ireland	-4.5	-5.0	-5.2	-5.2	-4.8	-6.0	-6.2	-3.9	-3.2	-3.1
Japan	-0.4	-1.8	-4.6	-5.0	-5.2	-5.5	-5.8	-5.8	-5.9	-5.7
Korea										
Netherlands	-4.7	-4.1	0.4	0.4	1.0	0.9	0.8	0.4	0.0	-0.7
New Zealand	1.2	2.4	2.5	2.1	2.1	2.4	2.4	2.7	2.4	2.8
Sweden	-7.9	-11.5	-13.1	-12.3	-12.8	-12.3	-11.6	-12.8	-11.9	-11.7
United Kingdom	-4.6	-4.6	-4.7	-4.9	-5.0	-5.0	-4.8	-4.9	-4.9	-4.9
United States	-0.9	-0.1	-0.2	-0.4	-0.3	-0.2	0.0	-0.1	-0.7	-0.3

Derived from Van Vliet and Caminada, decimal to percentage point conversion

APPENDIX 2d. Trends in NRR_{AW} - NRR_{APW} , 2000 - 2009



APPENDIX 3a. OECD Employment Protection Legislation strictness (permanent contracts)

Dataset: Strictness of employment protection – individual and collective dismissals (regular contracts)																								
Series	Version 1 (1985-2013)																							
Unit	Index																							
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Australia	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.17	1.17	1.17	1.67	1.67	1.67	1.67
Austria	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37
Belgium	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.89	1.89	1.89	1.89	1.89	1.89	1.89	1.89	1.89	2.08	2.08	1.89	1.89
Canada	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92
Denmark	2.18	2.18	2.18	2.18	2.18	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.20	2.20	2.20
Finland	2.79	2.79	2.45	2.45	2.45	2.45	2.45	2.31	2.31	2.31	2.31	2.31	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17
Germany	2.58	2.58	2.58	2.58	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68	2.68
Ireland	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.27	1.27	1.27	1.27	1.27	1.27	1.40	1.40
Japan	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.37	1.37	1.37	1.37	1.37	1.37	1.37
Korea	3.04	3.04	3.04	3.04	3.04	3.04	3.04	3.04	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37	2.37
Netherlands	3.04	3.03	3.02	3.07	2.90	2.84	2.84	2.84	2.84	2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.88	2.82	2.82	2.82	2.82	2.82
New Zealand	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.39	1.39
Sweden	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.70	2.70	2.65	2.65	2.65	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61
United Kingdom	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.10
United States	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26
Data extracted on 03 Jun 2019 13:17 UTC (GMT) from OECD.Stat																								

APPENDIX 3b. OECD Employment Protection Legislation strictness (temporary contracts)

Dataset: Strictness of employment protection – individual and collective dismissals (temporary contracts)																								
Series	Version 1 (1985-2013)																							
Unit	Index																							
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Australia	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88
Austria	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31
Belgium	4.63	4.63	4.63	4.63	4.63	4.63	4.63	4.63	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38
Canada	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Denmark	3.13	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38
Finland	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56
Germany	3.25	3.25	3.25	3.25	3.25	3.13	3.13	2.50	2.00	2.00	2.00	2.00	2.00	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.13
Ireland	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.63
Japan	1.69	1.69	1.69	1.69	1.69	1.69	1.69	1.50	1.50	1.50	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88
Korea	3.13	3.13	3.13	3.13	3.13	3.13	3.13	3.13	3.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13
Netherlands	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	1.38	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94	0.94
New Zealand	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sweden	4.08	4.08	2.77	2.77	1.77	1.77	1.77	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	0.81	0.81	0.81	0.81	0.81	0.81
United Kingdom	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38
United States	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25

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